

The heard instinct that unites composers

Among those who will be criticizing the attitude of the Westminster MPs will be Mr Harry West, leader of the party and head of the loyalist coalition. He led many of his fellow loyal-

On the question of extra representation at Westminster for Ulster, many Unionists expect that the Speaker's conference will eventually recommend six more seats to bring the Ulster total to 18. If such a recommendation is approved by Parliament, it is widely expected that the boundaries would be drawn so as to permit Roman

Several Conservative leaders in Scotland criticized the Liberals for their bargain with the Government, and Mr Malcolm Rifkind, MP for Edinburgh, Pentlands, said 20

The Scottish TUC expressed pleasure at the survival of the Government, although Mr James Milne, the general secretary, hoped the bargain with the Liberals would not compromise Labour.

that shows a big increase in support for their party, but some were saying privately that although the party would have done well in a general election now was not the best time for one.

The North-east: Opinions in Yorkshire and Humberside largely reflected the views of national leaders (Ronald Ker-

A party official said there was a general feeling that the party had achieved a position of having a real voice in government for the first time in 50 years. Party activists were "very much for" the bargain. The view was that the deal was support for government, rather than support for the Labour Government. Through

"The general reaction is that David Steel has grown in national stature and that at last the Liberal Party is achieving something", he said. "I think we are now going to have a considerable influence on the shape of phase three of the Government's income policy."

His aim was to establish a "pitch profile". The note of the theme is compared with the first, according to whether it is a higher, a lower pitch or the same. Particularly, the third note is up, or down, or repeated second note. There are possible combinations.

Electrical repairs to cost more

light, that the Government would be unable to deliver any part of the bargain which had been promised to Labour and trade union aspirations. "There are enough opponents of the deal within the PLP to make sure of that."

Mr Emlyn Hooson, Liberal MP for Montgomeryshire, said last night: "The Liberals aim to act as a great moderating force on the Government, and will not tolerate any further acts of unationalisation or deviation from sensible and moderate policies aimed directly at national economic recovery."

Of 52 people interviewed in the main shopping areas at Washwood, Heath and Sharnford, End, 46 said that it was a relief to know that the bickering and party conflict had been hushed in Westminster. There was a feeling that Labour, with the influence of its left wing diminished, would have the chance of a clear run to some sort of stability.

Several people said that they had long hoped for a coalition

Belfast girl shot

A girl, aged 13, was shot and seriously wounded when she answered a knock at the door of her home in the New Lodge area of Belfast last night.

In a statement, the I.E. said: "All our overheads are normal commercial overheads and we are in competition with the High Street in this respect."

From Our Correspondent
Chichester:

A gun owner whose defence that four weapons he had on his wall were antique ornaments was cleared by a jury at Chichester Crown Court, Sussex, yesterday of not having a firearm.

more than likely to be antique weapon.

"Secondly, if a firearm, a kind still being produced, though the actual use is some years old, then unlikely to be an antique arm."

He extended his range through 16 notes and managed to link the dance of the tress in Verdi's *Aida* with Grieg Sonata No 3 for Violin and Piano and point out close similarities between

The Prime Minister was asked: Were not the social security amenities far too easy to obtain? Mr Callaghan would not agree. There were nine million old age pensioners who drew benefit, he said. Perhaps the toughest question came from a pensioner and a self-employed man who complained about the tax on pensions, and the weight of bureaucracy. Mr Callaghan pro-

Mr. Callaghan commented: "I see I have not convinced you. I have never convinced a single old-age pensioner that pensions should be taxed. . . ."

Mr. Callaghan gave a long and detailed explanation of the Government's inability to cancel the proposed increase in the price of gas.

"Maybe we ought to look at this increase as it affects pensioners."

Mr Gopsill said: "You can now say that two days is a long time in politics and we are altering the course of our campaign." The new line to be followed in an intensive leaflet campaign is that "a Liberal MP for Stechford will help to wield a vast influence on your behalf

The waste would be stored in glass blocks, encased in stainless steel cylinders. One would contain the waste of about 5.5 tonnes of fuel. Thus, by the year 2000, 72,000 such

Weather fore

NOON TODAY Pressure is shown in millibars

The map shows a high-pressure system (1036) centered over the North Atlantic, with a low-pressure system (1020) centered over the Caribbean. Contour lines are labeled with values like 1024, 1032, and 1036. The map includes latitude and longitude markings.

cast and recon


library **FRONTS** Warm Cold Occluded
(Symbols are an advancing edge)

LOW 1008

HIGH 1024

WEATHER REPORTS YESTERDAY		MOODY: c, cloud; f, fair;	
s, rain; s, sun.			
Abroad	c 11	c 11	c 11
Aden	c 11	c 11	c 11
Amman	c 11	c 11	c 11
Bombay	c 11	c 11	c 11
Calcutta	c 11	c 11	c 11
Canton	c 11	c 11	c 11
Cebu	c 11	c 11	c 11
Colon	c 11	c 11	c 11
Hankow	c 11	c 11	c 11
Harbin	c 11	c 11	c 11
Hongkong	c 11	c 11	c 11
Kobe	c 11	c 11	c 11
London	c 11	c 11	c 11
Lyons	c 11	c 11	c 11
Manila	c 11	c 11	c 11
Peking	c 11	c 11	c 11
Rangoon	c 11	c 11	c 11
Shanghai	c 11	c 11	c 11
Singapore	c 11	c 11	c 11
Tientsin	c 11	c 11	c 11
Yokohama	c 11	c 11	c 11

(43° F) : Humid
cent. Rain, 24
Sun, 24 in
Bar. mean sea k
7 millibars, risin
= 29.53 in.



"And as the sun breaks through the darkest clouds,

Secretary, who quickly gained respect in Washington, was considered vulnerable to a general election.

The Westminster wobbles are likely to cause the new men in Washington to be rather wary over the British Government's

General Election, Oct. 1974:
H. Jenkins (Lab), 23,075;
Wedgwood (C), 11,152; G.
Gopelli (L), 5,860. Lab major
11,923.

R. Sussex Street, south-east
D. London, one of 90 retail o
A. lets owned by the compa
V She was paid 92p an hou
while her colleague, Mr Rob
who was doing the same kind
work, was paid £1.06 an hou
Coomes said the Sussex Stre

London and SE England: Mostly dry, sunny intervals after early fog; wind variable, light; temp 14° or 15°C (57° to 59°).

East Anglia, E Midlands, E central N England: Mostly dry, sunny intervals developing an early mist; wind variable, light.

Aberdeen, Moray Firth, Scotland, Orkney and Shetland. Occasional showers, wintry hills, rather cloudy but sunny intervals: wind NE, light or moderate: max temp 5°C (41°F).

to 7 am. 6°C (43°F); Humid.
NE 7 pm, 63 per cent. Rain, 24
nd. to 7 pm, 0.03 in. Sun, 24 h
on 7 pm, 0.1 hr. Bar. mean sea l
in- 7 pm, 1.024.7 millibars, rain
mod. 1,000 millibars = 29.53 in.

Overseas selling prices
Austria, Sch 17; Belgium, Ref.
Netherlands, Ref.

yesterday.

1. _____
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1

BRUNNEN 6 71 34 Treiback 1 2
Bussport 5 21 70 Innsbruck 1 2

70	Montreal	21	75	Warsaw	11
		1	34	Zurich	12

52
51

Le Monde
 LA STAMPA
 THE TIMES
 DIE ZEITUNG
Europa
 Learn about European affairs
 by reading Europa,
 published on the first Tuesday of
 each month with The Times.

(laughter)—we intend \$60 to \$80 to be the limit. I am not sure that we will need any financial inducement to lay down this heavy burden well before that date.

Mr Robert Sheldon, Financial Secretary to the Treasury (Ashford under Lyne, Lab)—When the Chancellor's 60th birthday comes, he will still be in harness, working for the good both of the Government and the people of this country. (Labour cheers.)

Parliamentary notices

House of Commons

Monday at 11.30.—Members' motions on direct elections to the European Parliament; exchange rate; inner city

[illegible]

Before and after the trial of Mr. Patrick Meelan and Mr. Ian Waddell of the O'Connell family, the respective indictments against them:

(1) The guilt or innocence of Mr. Patrick Meelan or Mr. Ian Waddell is not a matter for the O'Connell family or the O'Connells' respective indictments against them.

(2) The reasons for and justification of any decision by the Secretary of State for Scotland upon, whether or not to make a recommendation for the exercise of the royal prerogative of mercy and

All the papers and other information relevant to the case in the O'Connell family, the O'Connells' respective indictments against them, will be made available to Lord Hunter and the Chief Clerk of the Strathclyde Prison to cooperate in the way.

It will be open to any person who wishes to do so to provide information or make representations to Lord Hunter concerning the case, and while the O'Connell family is not requested to have his power to compel attendance of witnesses or to open to him to an inquest or to question such persons as he may think necessary.

All the papers and other information relevant to the issue in the Scottish Office and the Cr. Office will be made available to Lord Hunter, the Chief Clerk of the Scottish Office, and the Chief Clerk of the Strathclyde Police, who have agreed to cooperate in the way.

It will be open to any person who wishes to do so to provide information or make representations to Lord Hunter concerning the case, and while, as has been indicated, there is no obligation on his having power to compel the attendance of witnesses, it will be open to him to invite to an interview and to question such persons as he may think necessary.

HOME NEWS

Preserve balance in the situation

£200m-a-year plan to alleviate effects of youth unemployment

Mark Jackson of *The Times* Education Supplement says a £200m-a-year plan to alleviate the effects of youth unemployment is being prepared in the Manpower Services Commission. It proposes that jobless teenagers could be paid £17 a week to participate in a programme of work projects and training. The plan is based on startling long-range predictions for youth unemployment prepared by the commission's analysts. They predict that peak seasonal employment among leavers will stay at this year's record level for at least another five years.

The Times Education Supplement today reports that the plan was drawn up by a working party will come before the 10 member commissioners on April 26, so that it can be put to the Government in May as a commission's formal recommendations for action.

The working party, drawn from industry, the education service and youth organizations, is headed by Mr Geoffrey Holland, a senior MSC executive. It has proposed an integrated programme of work projects, community service, work experience and vocational education. It would be run by local committees made up of representatives of local authorities, employers, unions, voluntary organizations, and possibly some young people, which would be expected to vary the schemes to suit local and seasonal needs. The options to be provided are broadly similar to some of the crisis measures being used to combat youth unemployment, which they would replace; but they all place a heavy emphasis on some form of training or education and are designed to

WEST EUROPE

Home worries and dispute over London summit cast gloom on EEC leaders' Rome meeting

From Michael Horsby Rome, March 24

A chastened group of EEC leaders met in Rome tomorrow to celebrate the twentieth anniversary of the signing of the treaty establishing the European Economic Community, which Britain, together with Ireland and Denmark, acceded only in 1973.

Ringed oratorical affirmations of European faith will doubtless not be wanting when the heads of government gather at noon on the Capitol to commemorate the occasion, but few among them have much to cheer about.

Two of the prime ministers present, Mr Tindemans of Belgium, and Mr den Uyl of Holland, head caretaker governments pending general elections they were obliged to call after the collapse of precarious coalitions.

Mr Callaghan has also had troubles in maintaining his majority and President Giscard d'Estaing has lost his personal authority diminished by sweeping left-wing gains in recent municipal elections.

Signor Andreotti is in the midst of a continuing social and economic crisis, and even Herr Schmidt, the Iron Chancellor, is reported to be weary of the burdens of office. It will not be surprising if there is some sense of strain in tomorrow's jollies.

On the Community plain, prospects are scarcely brighter. The mood of good will is likely to be tested severely by a wrangle over whether the EEC, as a political entity, should be represented at the

economic summit in London in May as well as its four big members, Britain, France, Italy and West Germany, who will attend as individual nations.

The EEC's smaller brethren, led by the Dutch, have kicked up a fuss, arguing that both the president of the Council of Ministers and the President of the European Commission, Mr Jenkins, should also be present to put the Community point of view.

Only the French now seem inclined to oppose the Dutch case strongly, although neither Herr Schmidt nor Mr Callaghan is likely to be seen rushing to the barricades in its defence.

The position is complicated because Britain, which will host the economic summit (a successor to the earlier gatherings in Rambouillet and Puerto Rico) also happens at the moment to hold the presidency of the EEC. It could be argued that a British presence will be sufficient guarantee that a collective EEC voice will be heard.

After some initial hesitation, Mr Jenkins spoke out publicly earlier this month in favour of his attendance at the summit. At the end of last week, he flew to Bonn to press his case with Herr Schmidt, who is understood to have indicated that he would at least not oppose Mr Jenkins's participation.

Conscious of their isolation, the French are thought to have softened their position, but Mr Callaghan, who will be in the chair, could well have his work cut out to steer the discussions to a successful conclusion.

The record of the series of



Mr. Mintoff.

Invest in Malta, says Mr Mintoff

By David Spenser Diplomatic Correspondent

After the unusually huddling about rent for the British base on Malta, which is up to 25 per cent of the cost as originally envisaged, they are seeking to reduce their share to around 18 per cent, which would be in line with Britain's planned contribution.

He returned home yesterday from a visit to London to help attract British investment. Sounding very much the elder statesman, he told industrialists at a dinner that there would be more room for co-operation after the defence agreement ended in 1979, than before. Judging from the enthusiastic reports of their ventures given by leading businessmen, Malta is a profitable place to be.

There are several advantages in Malta, according to Mr Mintoff. First, it enjoys industrial peace. "Don't ask me how we have it, because we are a democracy, but we do."

Second, there is political stability. Mr Mintoff won a very tough election last year and, as he told his British audience, there is no need for a coalition government.

Further advantages given by Mr Mintoff are that Malta is surrounded by friends, it is a small, self-aware community, and, finally, the Government has no ambition to nationalise businesses.

How does Mr Mintoff feel about Malta now? "I have to watch my background, not to be too British," he declared. "My job is to be pro-Maltese." Winning the George Cross was a fine thing for the island, but not enough to live on these days.

Accordingly, he is seeking to create between 23,000 and 24,000 jobs, to replace the employment at present provided by Britain. New projects have already made 13,500 jobs, and fresh investment is being sought to make up the rest. Those who can get on with it for themselves without seeking government help, would be rendering Malta a good service.

"Our main interest is not to replace the base with another base," Mr Mintoff concluded. "Our main interest is to replace the military base with a centre for peace activities. Peace is a better investment."

Nato near approval of early warning system

From David Cross Brussels, March 24

Mr Harold Brown, the United States Defence Secretary, said today he thought that Nato member countries were "quite close" to an agreement on the terms for setting up the Airborne Early Warning System (Awacs) for the Alliance.

Speaking on his arrival in Brussels to attend a special meeting of Nato's defence ministers tomorrow, he said he hoped his colleagues would be in a position to endorse the programme this week and take it back to their capitals for final approval in the near future.

The Ministers are meeting at Nato Headquarters here to resolve their continuing differences over their governments' financial contributions to the scheme, which will cost \$2,400m (about £1,500m) to set up. The West Germans, in particular, are unwilling to shoulder about 25 per cent of the cost as originally envisaged. They are seeking to reduce their share to around 18 per cent, which would be in line with Britain's planned contribution.

Commenting on two days of talks in Washington last week with Herr Georg Leber, the West German Defence Minister, Mr Brown said he thought Bonn was now convinced that the Alliance needed the Awacs system, consisting of 27 Boeing 707s, equipped with sophisticated radar equipment. The West Germans appeared ready to work out final details of their financial participation, he felt.

Nato is under considerable pressure to go ahead with the scheme as soon as possible. The British are threatening to go it alone with their own early warning system based on Nimrod reconnaissance aircraft if an agreement on a larger Nato system proves impossible. This is because the existing British system based on ageing Shackletons will soon have to be replaced.

The defence ministers of the four European Nato countries, which have agreed in principle to buy the American F16 fighter aircraft, met here today in a new attempt to resolve cooperation on matters among the four nations. The meeting was requested by the Danes, who, together with the Norwegians, have come off worst in offset arrangements.

Contrast the Belgians and the Dutch have won valuable contracts for the construction of engines and parts of the fuselage and wings of the new aircraft. Today's talks, which appear to have centred mainly on concerns among the four nations about the escalating costs of the 348 aircraft they are buying, have delayed the final signing of contracts originally due on April 1.

However, well-informed officials were confident after the meeting that final problems could be resolved between the four and the United States in the near future. They expected contracts in what has been called the arms deal of the century to be signed either at the end of next month or in early May.

Danish unions defy court as press strike widens

From Our Correspondent Copenhagen, March 24

Action by printing workers today stopped publication of the Danish national newspapers Politiken and Ekstra Bladet, the main competitors to Berlingske Tidende and BT, which have been prevented from publishing since January 30 by a separate conflict.

This afternoon, as about 2,000 printing workers demonstrated outside the building, a labour court fined two unions involved in the Berlingske dispute a total of £17,500 and 1,000 striking employees £50 each, for ignoring its February 16 order to return to work. The court once again ordered them to go back to work without delay.

Spokesmen for Politiken said tonight they did not know whether the newspaper would appear tomorrow. That would depend upon the result of a "priority meeting" of the involved trade unions this evening.

The latest fine is not expected to make the Berlingske strikers return to work. Union spokesmen refuse to accept the ruling of the court of its authority to interfere.

Other newspapers may be hit by strikes in the next few days, together with printers across Denmark. Organized labour is negotiating a renewal of collective agreements running for the next two years, but the graphic trades section has failed to reach any agreement.

Union officials say employers have refused to discuss agreements on new technology that will safeguard the future earnings of their members.

Swiss historian wins Erasmus Prize

The Haguen, March 24.—Professor Werner Kaegi, the Swiss historian, has won this year's Erasmus Prize worth 100,000 guilders (£20,000), which is awarded by the Erasmus Foundation for outstanding contributions to European culture and science.

Casino ban on civil servants in Spain

Madrid, March 24.—Civil servants and military men who handle state funds are barred from gambling casinos by royal decree published today. Also barred are minors, drunks, madmen and convicts on parole.—Reuter

Independent inquiry into controversial murder case

A Staff Reporter

An independent inquiry into the murder of Mrs Rachel Ross in 1969 was announced today by Mr Millan, Secretary of State for Scotland.

The announcement coincided with an angry rejection by Mr Rick Meehan, who served an years imprisonment for murder, which he did not admit, of £7,500 compensation. The inquiry, which will be led out in private by Lord Justice of the Scottish High Court, will examine all the information relating to the case, but it will not consider guilt or innocence of Mr Meehan, who has been given a full pardon, or of Ian Edell, who was acquitted of murder.

Mr Ronald King Murray, the Lord Advocate, will give unity from prosecution to assess at the inquiry who it is to having committed a crime.

A staff reporter writes from Edinburgh: Mr Meehan said at home in Glasgow last night: "I am just ridiculous. I am crying it completely."

Mr David Burnside, his solicitor, said in Aberdeen that he regarded the amount as derisory. He did not believe there was much hope of negotiating a higher award, and the Scottish Office said there was no appeal against the award.

Mr Burnside said they would be considering legal action against Mr Millan, claiming civil damages for wrongful imprisonment. That might be the only way in which Mr Meehan could gain proper recompense.

Mr Millan agreed to the ex-gratia payment of £7,500, which was recommended by an independent assessor, Mr Bruce Weir, QC. The government letter to Mr Meehan's lawyers said: "While accepting that Mr Meehan's reputation, already damaged by his conviction for murder, and that his feelings suffered a genuine sense of injustice at being convicted and imprisoned for a lengthy period, the assessor took account of Mr Meehan's previous convictions and evidence about his war of life at the time of his arrest in July, 1969."

Parliamentary report, page 6.

Chancellor taken ill in Bonn

From Our Own Correspondent Bonn, March 24

Herr Schmidt, the West German Chancellor, cancelled all his engagements except one today because of a sudden respiratory illness.

The Chancellor, who is 59, felt unwell this morning and was advised by his doctor to take a day's rest. The only exception he made was to keep an appointment with Mr Robert Muldoon, the New Zealand Prime Minister, who is on a visit here.

A Government spokesman said last night Herr Schmidt still intended to go to Rome tomorrow to take part in the European Community's twentieth anniversary council meeting and to have an audience of the Pope.

The Chancellor has been under unusual strain recently, due to a series of difficulties and setbacks for his Government amounting to a deep but indefinable crisis.

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Eurovision song event called off by BBC

The BBC announced yesterday that the Eurovision song contest would not take place as planned in Britain on April 2. A dispute with the Association of Broadcasting Staffs over a £3-a-week regarding claim for outside broadcast cameramen has not been resolved.

The contest was to have taken place at the Royal Wembley conference centre.

After the association's refusal to give an assurance that the programme would be transmitted, the European Broadcasting Union has been informed that it was impossible to stage the contest as planned, the BBC said.

"We could not take a chance on having, at short notice, to tell the participating countries, our countries who were taking the show live, that we could not transmit it."

The cancellation prevents the showing of the contest to find Britain's entry for the 18-nation contest, but it is broadcast on radio. Britain's chosen song was Rock Bottom, by Lynsey de Paul and Mike Moran.

Our General Correspondent writes: The European Broadcasting Union announced that, it still hopes the contest will be staged at another place and date, to be decided if possible within the next few days.

An official said, however, that union sympathy for the cameramen was not the cause of the situation, so it was not possible for the moment to indicate a new venue elsewhere—Europe.

The European Broadcasting Union says that once the contest has been relocated, possibly in Holland or West Germany, or even in Britain at a later date, at least 10 days will be required for reorganization. It regards the song contest as by far the most popular item in its annual repertoire, and expected an audience this year of about 200 million people, including, for the first time, Soviet viewers.

Broadcasting officials have called the postponement "iragic"

Socialist leader warns the Spanish monarchy

From Our Correspondent Madrid, March 24

The Spanish monarchy will be endangered, the Socialist leader, the Prime Minister, decides to form a party from within the Government for the forthcoming elections. Señor Felipe Gonzalez, leader of the Spanish Socialist Party, said last night.

"If the monarchy wants to be a constitutional one then there is no other way than to have clean elections," he said at a party meeting.

Under the election rules, the Prime Minister can run in the elections without having to resign, whereas all other senior office holders must give up their posts. Señor Suarez's mandate does not expire until 1981 and he could continue as Prime Minister without taking part in the election. Señor Suarez has not yet said what he will do.

Señor Gonzalez, who has threatened that his party will boycott the elections if they are not fair, said that the political objective was to conserve the present political power for the next four years then this was short-sighted and would probably lead to a radicalization of political forces after the elections were over.

An operation by an 'institutional party' to create confusion among the emerging political forces would be a failure and those who would pay for it would not be the organizers but the people," Señor Gonzalez said.

The opposition is divided over the issue of the Prime Minister running in the elections. Señor Santiago Carrillo, secretary-general of the Spanish Communist Party, has made it known that he is not against the idea. His support is almost certainly tactical, particularly as he is awaiting to hear whether the Supreme Court will legalize his party.

The Cabinet was meeting today to consider allowing greater freedom for the press. In Caracas prison, Basque prisoners have gone on hunger strike in demand for an immediate and full amnesty.

According to an anti-ministry, 62 political prisoners, mainly Basques, have been released under the terms of the Government's new amnesty.

Portugal's EEC application due next week

From Our Own Correspondent Brussels, March 24

Portugal is expected to lodge a formal application for membership of the European Community at the beginning of next week, it was disclosed here today.

Dr Mario Soares, the Portuguese Prime Minister, has recently toured EEC capitals seeking support for the application. The generally warm response he received during his visits is expected to be echoed by foreign ministers of the Nine when they meet for their monthly session in Luxembourg early next month.

Youths charged with theft of a van Gogh

Amsterdam, March 24.—Two teenagers stole a self-portrait by Van Gogh valued at 1m guilders (about £240,000) from the Amsterdam Stedelijk Museum but were caught by guards as they tried to smuggle it out under a coat.

The youths, aged 18 and 19, are members of an art society which was helping to pack paintings after an exhibition of local work. They took time off to remove the van Gogh from one of the adjoining halls.

The youths were charged with theft. The painting was on loan from Amsterdam's Rijksmuseum.—AP

Dutch Queen in crisis talks

The Hague, March 24.—Queen Juliana of the Netherlands today sought the views of party leaders on how to resolve the Government crisis after the breakup of the five-party coalition.

A decision on the form of the caretaker government to rule Holland until the May 25 elections is not expected until towards the end of next week.

Mr den Uyl, the Prime

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Ver story to cover wife order, prosecution says

Id Chambers, accused of the murder of his wife and her mother, was ordered to cover the five years later by the police that she had run away with her lover, it was alleged. Albans Crown Court, Uxbridge, yesterday.

Inspector Leslie Simms of Chambers told the jury that the wife, a week before Christmas, 1971, when she had run away with her lover, a boy friend.

Chambers, aged 51, of Street, Blackpool, has not been charged with murdering Mrs. Simms, of Luton police, at an interview Mr. Simms said his wife had

Pensions 'give civil servants pay advantage'

By Margaret Stone

The advantages of Civil Service index-linked pensions are now so great that, as an offset, their salaries ought to be 3 per cent lower than those of their industrial counterparts.

That is the recommendation of Mr Edward Johnson, the Government Actuary, whose department has just finished a review of private pension schemes as a basis for comparison.

At present 12 per cent is deducted from civil servants' pay to allow for the fact that their pensions are inflation-proofed. The rate of deduction was fixed in 1973.

The reassessment carried out by the Government Actuary's Department is based on its revised opinion of the long-term trend of interest rates, salaries and inflation. The assumption now is that over a period of 20 years salaries will exceed inflation by only 11 per cent, instead of the 2 per cent lead previously assumed.

However, the department has not revised its opinion about the long-term growth in our standard of living, which it still reckons will be 2 per cent. Together the overall assumption now is that earnings will exceed price inflation by 31 per cent, not 4 per cent.

The trial continues today.

ADVERTISER'S ANNOUNCEMENT

We'll take more care of you

No 20

British airways ANNOUNCE

Friday, March 25, 1977



Wide-bodied jets soar from seven to seventeen every week

GULF GETS TEN MORE TRISTARS

KEEPING right in step with the enormous business boom in the Gulf, British Airways is to increase its wide-body TriStar services to the area from seven each week to 17 from April 1.

This means that a daily TriStar service will operate to Dubai, Doha, Abu Dhabi, and Bahrain and Doha will have TriStar flights for the first time. Kuwait will have six TriStars a week until May 18, when the TriStar service will be extended to a flight every day.

British Airways can also offer these advantages on its Gulf services:

● It is the only airline to fly to all seven Gulf destinations, plus Jeddah, from London.

● There are non-stop flights to Bahrain, Doha, Abu Dhabi, Kuwait, Doha, Jeddah and Muscat — a major plus point with the international business community looking to save time.

British Airways introduced the wide-bodied luxury of the TriStar to the Gulf a year ago, and this superliner will become far more familiar sight in the area this summer.

Increased

For instance, Doha which now has four TriStars each week will enjoy a daily TriStar service. Abu Dhabi, from having eight flights a week flown by a mixture of different aircraft, will have a TriStar every day. Doha's service with four VC10s will be increased to seven VC10s, plus three TriStars a week. And Muscat, which has had four VC10s each week, will be increased to five each week by British Airways 747.

Announce Reporter

The British Airways TriStars have been fitted out to serve the demands of the business community in the Gulf area, with an enlarged first-class cabin, seats in both sections as big as those in the jumbo jet, and improved wardrobes and galley units.

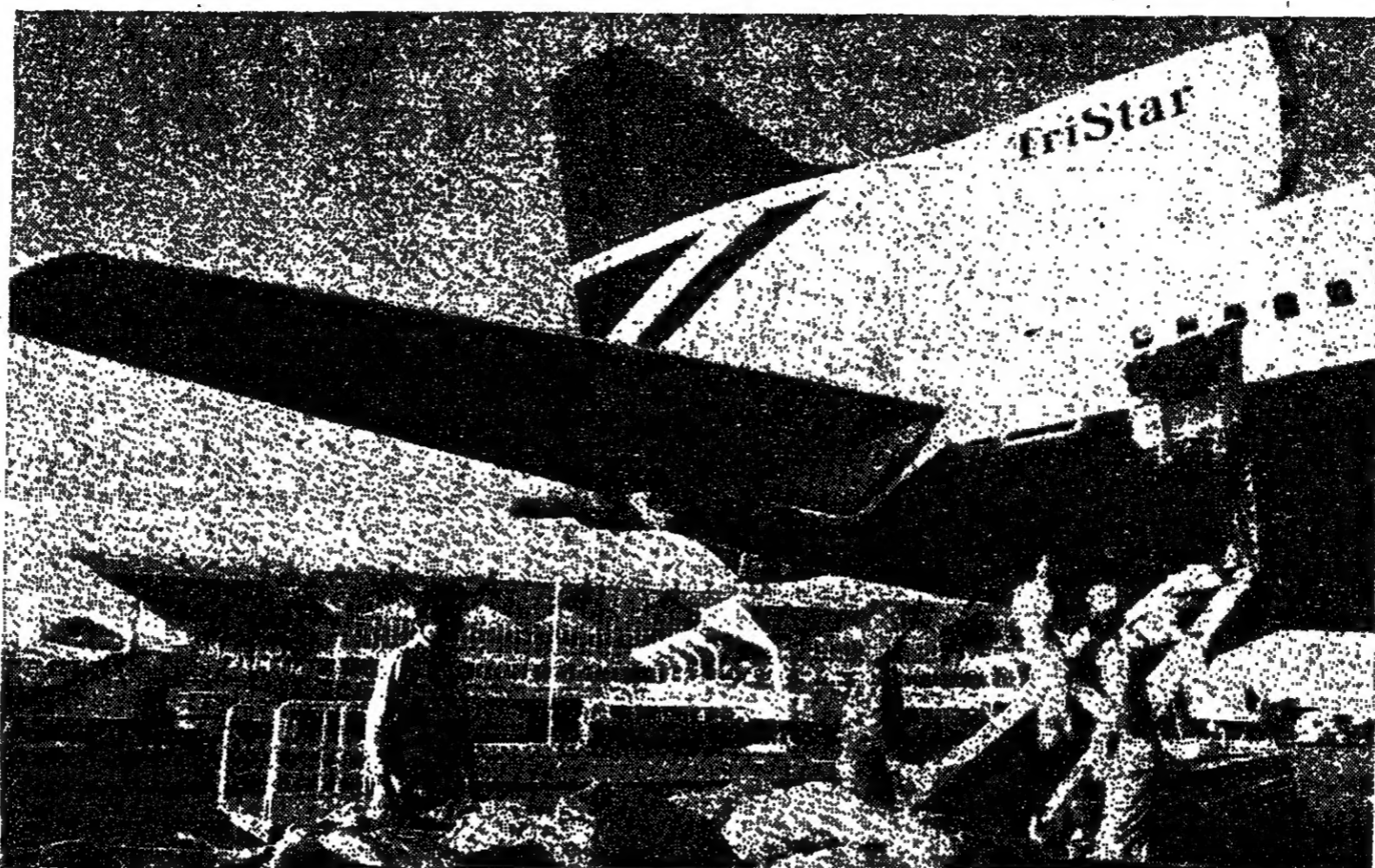
Middle East

At the same time, British Airways is stepping up its services to other parts of the Middle East.

To Tehran there will be 14 VC10 flights each week instead of ten. Ten of the flights will be non-stop.

To Cairo the services are to be increased to six each week. To Amman there will be four non-stop flights each week, two by TriStars and two by VC10s. And to Baghdad there will be two TriStars and a VC10.

British Airways' imaginative summer timetable puts the whole of the Middle East at the disposal of the business traveller more frequently than ever before, with most flights taking around seven hours.



Cargo being unloaded at Dubai

More jets than ever to Germany

THE BOOMING Federal Republic of Germany is a top target for British businessmen chasing vital export orders.

British Airways soon recognised the increase in demand for speedy direct services to the major German trading centres. And from April 1 it has more flights from the UK to the Federal Republic than any other airline — 129 flights a week to nine important German business centres.

A British Airways spokesman said: "We want to do all we can to help British business travellers capture their share of this market."

To help boost the export effort there will be major increases in flights from April 1.

Non-stop

From Heathrow, flights to Frankfurt will increase from three to four a day, and to Munich they will increase from seven to 12 a week. There will be a new non-stop service to Hanover every day. In addition, there will be a second daily service to Hanover in the periods, April 19-29 and September 19-30, during the two major trade fairs.

Düsseldorf has three flights a day including a new morning departure at 0945. Hamburg and Berlin each have two flights a day, while Bremen, Cologne and Stuttgart are served daily.

From Manchester there is a new service to Frankfurt every weekday, plus the daily service to Düsseldorf/Berlin. There are also flights every weekday from Glasgow and Birmingham to Düsseldorf.

British Airways German service does not end with the most comprehensive timetable available. It also offers:

- Special inclusive packages, including all the main exhibitions and trade fairs.
- British Airways' Associate Hotels in Munich and Düsseldorf, which can be booked at the same time as the flight.
- Special Spouse fares so that a businessman can take his wife with him at reduced rates.

Belfast gets the super Shuttle

Cartoon by Ross



FROM April 1, Belfast will join the highly successful British Airways Shuttle services. That is just part of the spring news for UK travellers.

The London-Belfast Shuttle, which will be operated by Tridents, will follow the same principles pioneered by British Airways on the Shuttles to Glasgow and Edinburgh.

Passengers can buy their tickets in advance at Travel Agents or pay on board the aircraft. Seats are guaranteed without any need for advance booking.

The Shuttle will operate a two-hourly service between 0820 and 1020 from Heathrow. First departure from Belfast is at 0720 followed by a two-hourly shuttle between 1020 and 1220.

New services

On the same day — April 1 — another important new flight will be added to the already comprehensive Great British service offered by British Airways.

ABERDEEN, the nation's oil capital, will be the destination for a twice daily service from Gatwick.

The Gatwick route will be in addition to the existing five flights a day between Heathrow and Aberdeen.

The weekday BAC 1-11 flights will depart Gatwick at 0940 and 1905. They will leave Aberdeen at 0750 and 1715. Flying time is 80 minutes.

MANCHESTER services have also been improved. Now there are nine Super 1-11 flights to London every day.

There are also new services from Manchester to Zurich and Frankfurt.

British Airways is expanding many of its busy routes within Britain in response to the increasing demand for air travel.

Supporting the wide network of air services avail-

REWARD Wanted: The top traveller

THE SEARCH is now on for the top traveller on British Airways domestic flights during March and April.

The person who uses British Airways domestic services most during these two months will win a two-week holiday for two at a first-class hotel in Bermuda (in association with the Bermuda Department of Tourism).

All scheduled domestic flights qualify and to enter all you need do is write and tell British Airways what flights you have been on.

Please retain the passenger coupons from tickets for the period in case proof of travel is required later.

Runner-up prizes will be awarded on a regional basis.

Entries, by May 9, to British Airways, Dept 1B, 18 Criniscott Street, London SE1 5TS.

able are British Airways Associate Hotels, which are ideally located in main centres.

At all the points served by British Airways around the country are good car hire facilities and to complement the instant Shuttle service there is an instant car hire scheme.

Shuttle-Drive by Godfrey Davis guarantees a car without any need to book. Passengers can pick up a hire-car booking form on departure.

6 days left for the Jubilee Sale

THE Great British Airways Jubilee Year Sale spring offers, with up to £30 off some holidays, are coming to a close.

Already thousands of holidaymakers have taken advantage of the savings offered at 70 hotels in the Sovereign, Enterprise and Cambrian brochures. But with the March 31 deadline approaching time is running out for sun-seekers chasing a bargain.

The other great news for travellers is that all Sovereign, Enterprise and Cambrian holidays in Europe and North Africa are at a guaranteed fixed price. Not one penny will be added to a holiday after it has been booked. (Only Government action can affect this guarantee.)

This Fixed Price Guarantee, pioneered by British Airways in 1975, also applies to the Jubilee Year Sale.

The discounts offered in the sale are for April, May and June departures and are:

- £10 off many seven-night holidays.
- £15 off many 14-night holidays.
- £30 off selected 14- and 21-night holidays.

The British Airways holiday bonus does not end there.

SIX JUBILEE SALE BARGAINS

Hotel	Departure	Brochure price from	Jubilee Sale price from
7 NIGHTS			
MAJORCA (Enterprise)	Tropical (Playa de Palma)	Manchester Luton	£104 £94 (full board)
ITALY (Enterprise)	Arenal (Catholica)	Gatwick Manchester Glasgow	£91 £81 (full board)
SPAIN (Enterprise)	Copacabana (Llorca de Mar)	Gatwick Manchester Glasgow	£90 £80 (full board)
14 NIGHTS			
SPAIN (Sovereign)	Miramar (Castro Urdiales)	Heathrow	£175 £160 (full board)
TURKEY (Sovereign)	Cinar (Samsun)	Heathrow	£280 £265 (half board)
MAURITIUS (Sovereign)	Saint Geron (Mauritius)	Heathrow	£590 £580 (half board)

All prices from London

For reservations or further details, see your travel agent or British Airways shop

Europe flights increased

BRITISH AIRWAYS flights into Europe are now more frequent and better than ever. Here are some of the new developments:

PARIS: The route from London to this city, one of the busiest in the world, has now been increased to seven flights a day from Heathrow. Four of those flights are by wide-bodied Tristars.

The regular two-hourly schedule from 0800 to 1800 is now augmented with a 2030 service and First Class is available on every flight.

Paris flights also leave from Manchester, Birmingham and Cardiff/Bristol.

Improved

NICE: Services have also been improved with the introduction of the TriStar for the first time on five days a week.

MILAN: It now has three British Airways Trident flights a day from Heathrow — at 0845, 1415 and a new service at 1815, except Saturday.

MADRID: Spain is becoming increasingly important and British Airways has stepped up its TriStar flights to Madrid to three a week.

The twice daily service from Heathrow leaves at 1010 and 1550, with Tristars operating the morning flight three days a

The pioneers

BRITISH AIRWAYS which served Concorde on the route to Bahrain has always been in the forefront of aviation in the Gulf and the Middle East. In 1927, the first services operated by a DH66 aer. It carried 14

passengers and a crew of three. It flew at 95 miles an hour and took six days to Basra. In 1932, Bahrain's first commercial service also took six days.

Quite a contrast from Concorde! She flies there now in just four-and-a-quarter hours.



Relax with the Monarch

COME! British Airways Senior Passenger Agent Anna Pearce is off the reopened Monarch Lounge in Terminal Three at Heathrow, which can be used by First Class passengers and Executive holders. The lounge has been completely refurbished and redeco-

More who leaves war wider

Mr N... as's... Soviet

Zaire invaders

THE ARTS

A star is stillborn—looking like Harpo Marx

David Robinson

Star Is Born (AA)
Warner West EndChikamatsu
Onogafati (A)

ate Cinema

Merry Go Round (U)
Electric CinemaMeasure At Her
Majesty's (A)cademy
Cinema Threealter Forde Season
ational Film Theatre

a scenario *A Star Is Born* is all it takes. It is about Hollywood and the glamour of stars. It has one star shooting and that is irresistible; it is a falling from the heights to a lowly and a fall from grace that is irresistible too. It is a love and marriage story; it is a story of a man who goes out in a flash of sacrifice, Captain Dates style.

Before it was first brought to the screen, in 1937, no one wanted to make it, because it was a sad end. After it became a success, everybody wanted to make it. The director, William Wellman, insisted to the end that the story was written by him and his frequent collaborator Robert Carson. The producer, David O. Selznick, however, questioned in

one of his famous Memos, whether Wellman was entitled to a bonus for it because *A Star Is Born* is much more my story than Wellman's or Carson's. Selznick's claim deserves consideration since five years earlier he had made a film *What Price Hollywood?* starring Constance Bennett, which looks very like a prototype for the later picture.

What *Price Hollywood?* is, as it happened, was directed by George Cukor, who in 1954 was to direct the first musical remake of the story. The script of this version is credited, elaborately, to Moss Hart; based on a screenplay by Dorothy Parker, Alan Campbell and Robert Carson, from a story by William A. Wellman and Robert Carson.

The Parker-Campbell dialogue contributed a great deal of the attraction of the earlier films, but has little part in the latest remake. The script of this version is credited to John Gregory Dunne & Joan Didion and Frank Pierson (sic) and "Based on a story by William Wellman and Robert Carson". This is the only part of the story: batteries of writers are alleged to have worked on it just as there seem to have been several changes of director. The film was begun by Jerry Schatzberg, who left it late in 1974. It was briefly taken over by Barbra Streisand's friend and hairdresser Jon Peters, but finally credited to Frank Pierson, who seems first to have arrived as a writer.

There is no doubt however of the ultimate authorship of this version. Ms Streisand (as



Barbra Streisand beneath a mop of yellow curls

she persistently appears on the screen is not only star but also a hairdresser (friend Peters is credited as "Hairdresser"). Even her costumes, the credits whimsically state, are from "her closet". She is composer of two of the songs (though the music is by John Williams). She is also "Queen Bee" and "Crippled Cow" come from other hands). Ms Streisand, indeed, dominates. As if to stress the point through her on-screen relationship with Kris Kristofferson (the falling star to her ascending one) she goes through most of the picture wearing men's suits while he wears pretty blouses and submits to having his face made up while she shares the bath with her.

It was a calculated risk (apparently the idea of the original writers Dunne and Didion) to update the story by setting it in the world of rock music, to provide the seventies' equivalent to the glamour and brutality of Hollywood in the golden years. The gamble has not paid off, finally, because the music would so clearly not make it to first base (or whatever the appropriate musical metaphor would be) with real rock fans. This factor adds to the embarrassment of the inevitable cliché they came to—jeer-and-stayed-to-cheer sequence, when Ms Streisand's debut as a mass pop concert was over a hostile audience.

The earlier versions of the story were not so handicapped; and into the bargain they had dialogue. This one has to rely on clichés spiced with four-letter words. The previous versions had male stars—Frederic March and James Mason respectively—who had wit, sophistication and highly developed professional skills. This has Kris Kristofferson, who grows on you, which is in itself not enough.

The previous female stars who created the role of Esther Blodgett, the girl who achieves stardom as Vicki Lester (here she is, and says, Esther Hoffman) both had irresistible charm and great gifts of pathos—Janet Gaynor wistful and quiet, Judy Garland heart-breaking. When Barbra Streisand appears at the end with three scenes of climactic moviemaking, you are more than conscious that they are being played by the Executive Producer. The tears are all special effects.

The film will no doubt be a ball for Streisand devotees. For the rest of us, she doesn't even look very nice in it. With a hairdresser as producer they presumably knew what they were doing when they gave her a mop of yellow curls which disconcertingly recall Harpo Marx. The cameraman, at other points, has a nasty way of coming up on her from behind the left ear, catching her (of the bath sequence) with her

singer's throat all crumpled, and giving her the look of Bernhard in old age.

Apart from this unhappy spectacle, all that London offers this week is a further, excellent crop of oldies. The Gate Cinema is presenting Kenji Mizoguchi's 1954 adaptation of a Japanese Kabuki classic *The Legend of the Grand Scroll Maker*. Mizoguchi acknowledged the freedom of his treatment by calling the film simply *Chikamatsu Monogatari* (A Story by Chikamatsu). The play itself was based upon an actual incident in the late seventeenth century; and Mizoguchi uses it to illustrate the strict social order that tyrannically prevailed at the period, when not only adulterers, but too complaisant cuckolds were liable to severe punishment.

The story concerns the Grand Scroll Maker of Kyoto, the miserly Ishum, and his beautiful young wife Osan, who is unwillingly thrown into the arms of the scroll-maker's assistant. The couple flee together; through pursuit and punishment their love grows to an *amour fou*. In the fulfillment and rapture of which they go finally to their crucifixion.

Mizoguchi's passion for the graphic arts of Japan is more strongly demonstrated in this film—in the way the settings are used to reflect the fortunes

and feelings of the people (the formal, geometrical interiors of the marital home and the wide romantic landscapes into which the lovers flee); in the way, like the galant prints and drawings of the period, he suggests great depths of eroticism by a glance or a flutter of a hand.

At the Electric Cinema, in a season devoted to the work of Erich von Stroheim, there is a rare revival of *Merry Go Round* (1922), the first of the great but ill-fated Viennese trilogy, which continued with *The Merry Widow* and *The Wedding March*. Set in the years around the First World War, the story reveals a bitter, satirical vision of the Imperial City—Stroheim's own birthplace—not so far removed from that of Odón Von Horváth. The theme which was almost obsessive with Stroheim, is that of a simple working girl fascinated, seduced and deceived by an aristocrat—not a villain, but a victim of his class and times.

Not for the first or last time Stroheim's costly perfectionism and autocratic style frightened the producers, and he was replaced on the film by Rupert Julian (later director of the first *Phantom of the Opera*). The feeble happy end can confidently be attributed to the period after Stroheim's dismissal. A great deal that is very evidently Stroheim, nevertheless remains in the meticulous recreation of the place and the period, in the highly sophisticated development of the characters, and the (for the period) startling suggestions of sexuality and depiction of pathological characters like the sadistic merry-go-round proprietor.

The National Film Archive and National Film Theatre are shedding more light on the dark age of the British cinema in the 1930s, with a Tribute to Walter Forde, who was a contemporary of Hitchcock as Gaumont British. Forde had come into films from the music hall and his earliest work was as star in his own *Walter* series of two-reel comedies.

Having arrived as a feature director late in the twenties, he revealed all the resourcefulness of an old vaudeville pro, and an eclecticism which may be one of the reasons he has not been firmly pinned down by the history books. The Tribute includes, for example, *Building Jack*, one of a series of comedies with Jack Hulbert, which includes a stirring chase through the Central Line of 1935; an adaptation of *Chu Chin Chow* with George Robey, Fritz Kortner and Pearl Argyle; and dramas like *For ever England*, *Four Just Men* and *Rome Express*. Forde's best-remembered film.

Firm-minded casting

Stevie
Vaudeville

Irving Wardle

From the standpoint of near-ignorance of Stevie Smith's work, I am grateful to Hugh Whitmore's play for making me keen to read it. Plays are not poetry appreciation classes, but any piece that manages to lock poems into the life that produced them and to dispatch them like so many rockets, is not to be treated patronizingly by the likes of me.

A maiden lady who divided her life between modest job in the City and an aunt in Palmer's Green, Stevie Smith is as unpromising a candidate for dramatic treatment as Emily Dickinson, and Mr Whitmore makes no attempt to impose any plot on that; ineffectual suburban existence.

He tells what story there is in the simplest possible manner. Stevie comes home after a bad day at the BBC with her hated producer George Orwell, and starts exchanging reminiscences with her aunt over a cup of tea. Once begun, the play continues to tug at the chronology through to the end. At first you are left wondering whether she is talking for the aunt's benefit or ours, but after a while it ceases to matter as the two characters have taken such firm hold.

The test of the relationship is that it becomes perfectly acceptable for conversation about the day's news, or getting the meat in the oven, to be punctuated with Stevie's poems and apocryphal sayings ("Death is my ser-

vant; he's got to come if I call him.") It is a contact between two loving friends, both contented with bread-and-butter domesticity, one of whom happens to have been singled out by Apollo. Not, it seems, anything she would have chosen for herself; "If I had been the Virgin Mary, I think I should have said."

Seated at the margin of John Gunter's cosily net-curtained set, there is Peter Wyre, lover, pops up as a spurned lover, interviewer, reluctant chauffeur, and other males in Stevie's life. But even these fully dramatized scenes smear well clear of the private areas of her mind. Her attempted suicide, for instance, is merely reported; it is left to the poems to take one further than that.

No square could be further removed from my recollection of Stevie Smith as a tiny Beatrice Potter mouse scurrying through *The Observer* offices than the voluptuously pugnacious Glenda Jackson; a most firm-minded piece of casting which turns out to have far more to commend it than star appeal.

Even attired in straight, Helle girl dress and shoes, Miss Jackson strains belief in her recurring complaints of low energy and is also in some danger of condescending to the beloved aunt. What she does triumphantly bring out is Stevie's route to her own form of self-sufficiency and the real authority of the voice within those deceptively unemphatic poems.

Clifford Williams's production also gives her a supportive partner in Moya Washbourne who makes domestic authenticity into its own poetic zone and presents as beautifully observed a study of the aging process as I have ever seen.

fatigues sweet, the detail beautifully placed and expressed. The Lowbrow, too, drew exquisite detail and fine silvery tones. It was not until the finale that we had anything like firm rhythm or incisive playing.

It seemed unworthy of the occasion, or would have done, had it been a special occasion, that the LPO use an outdated and corrupt text: they will find *schönbearbeitet* in the Eulenburg miniature score. Their orchestral items were the fourth symphony and *Lemore*, No. 3 overture. The latter is a listing himself here as an opera conductor, and this opera-in-a-nutshell should have suited him; but it was marked by ponderous tempos and there was never enough sense of excitement to justify the scale of the music. Nor indeed did the orchestral playing justify much excitement: horns blooming when they should be ringing out in triumph, a good deal of unclear playing from the strings and some woodwind misplays. Some of this was the symphony. The rest of that performance included a certain breadth of line and some graceful, well sprung rhythms in the later movements. But it was a reading with little thrust or sparkle, indeed little positive character at all. The end of the evening Beethoven's *opus 106* seemed to be glowering more heavily than usual.

LPO/Haitink
Festival Hall

Stanley Sadie

This week is the sesquicentenary of Beethoven's death, and it seemed apt that the Royal Philharmonic Society, who once commissioned quite a passable symphony from him and helped him to live for years, should mark the occasion by devoting their monthly concert to his music. In the event the programme book made no reference to the occasion, or even to the connection; and it turned out that the coincidence was, well, just a coincidence.

I was rather glad that it was; for if this had been a commemorative it would have been an unworthy one. The bright spot in it, and even that, glowed only rather sparsely: it was the *Fourth* by Beethoven, who evidently has a penchant for slow tempos in Beethoven, embarked on the first movement for the violin concerto at a decidedly steady pace. There is always a risk in this movement, some of the other movements. If the basic pulse is too often relaxed; and with Mr Steru seeing the violin's voice more to the light of the poetically appealing than the heroically striving, it never really established any momentum.

But Mr Steru's playing is of course truly poetic and truly appealing. The tone was un-

London Sinfonietta/
Davies

Queen Elizabeth Hall

Paul Griffiths

I have been bowled over by a new piece played by the London Sinfonietta last night, and I doubt that I can yet deal adequately with the experience. But imagine bright echoes and a sure ground, scurrying strings against a counterpoint of wind and brass, and a conclusion in a last gasp which is as inevitable as it is appalling. Imagine all that and you may glimpse a little of what made Peter Maxwell Davies's *A Mirror Whirling Light* such a revelation and a marvel.

The effect was, I suspect, all the greater because I was not prepared for music of this quality, even after all the miracles Davies has brought back from his composing home in Orkney. *A Mirror* now takes its place high among those achievements as another image of the northern sea and sky, referring as it does to a great cliff-bound ocean bay on which Davies looks out.

Beyond that, the title has esoteric connotations. It signifies the transmutation of base metal into gold, the action of mercury as a catalyst in that process, and, by analogy, the purification of the soul. Hence the music's continuous transformation, its medieval insistence on the magic of number and its white-hot culmination.

But the work is much more than a metaphor of the alchemist. As so often in the work of Davies, it is a group of fragments of phrasing which he takes through a turmoil of contractions and development. There is now, however, no suggestion of the deformed monk. The musical argument is clear and very beautiful, riveting and secure; the mastery of form and means is complete.

The premiere was superbly played by the Sinfonietta with Davies himself giving a decisive articulation to his invention. I hope someone will take the opportunity to make a recording while the partnership is still fresh.

The rest of the programme, conducted by Walter Susskind consisted of music by Weill, the violin concerto and the *Little Threepenny Music*.

BBC SO/Colin Davis
St John's

Joan Chissell

Musicians have long disapproved that it was during the premiere of Haydn's D Major Symphony No. 96 that a large chandelier crashed to the ground without slaking the soul. Of course there was no mention of "miracle" when the work was broadcast by the BBC Symphony Orchestra under Colin Davis last night. Yet anyone sitting under that splendid central chandelier at St John's, Smith Square, could well have recalled the old tale, the more so since the work itself remains such a "miracle of sophistication, wit, beautiful orchestration, and charm" as Robbins Landon put it in one of the BBC's own music guides.

Mr Davis revealed in the first movement's startling dynamics and ceasing tonalities. Nor could anyone have done more to throw major and minor aspects of the same key into sharper contrast in the Andante. Soloists rose to the occasion in that

movement and the Menuetto. And if the concert finished earlier than advertised, it was certainly not because the finale was rushed off its feet. Mr Davis's *viuice assai* was not too fast for dots and dashes to tell.

Before moving on to Haydn Mr Davis reminded us of all that C minor meant to Mozart in an uncommonly urgent account of the Adagio and Fugue, K.546. That brought the right contrast after Mozart's G Major Violin Concerto, K.216, in the first half of the programme, a teenage miracle if ever there was one, and nowhere more so than in its enchantingly delicate slow movement.

The soloist, Sylvia Rosenberg, turned her back on mere daintiness and charm in favour of a broader, maturer commitment.

As appetizer, Mr Davis chose Stravinsky's Concerto in D for String Orchestra, which, lightweight as it is, still adds up to an arrestingly eventful 12 minutes. St John's acoustics were not ideal for the finale's *ben articolato* semi quavers, but for the most part he brought home the full savour of the dry and the sweet.

Some of these reviews appeared in later

Problems
of being
earnestIn The Making
BBC 2

Alan Coren

The importance of being earnest has led many a worthy soul into the maze of pretentiousness; and on the strength, or rather the weakness, of last night's premiere for his new series I have to say that John Read has not trodden with the care his theme requires.

For the theme of these 13 films is what Mr Read sees as the revival of craftsmanship in Britain; it is to look at those devoted and painstaking artificers—cooks, printers, glass-blowers, ropemakers and the like—who work at that happy point where art meets craft, and whose chief satisfaction lies in making something as well as it can be made. Puritan aesthetics, if you like. But the problem in celebrating such people is that what they are is as important as what they do, so that our first response to them and their artefacts is admiration. We are not stunned, thrilled or moved, as we might be before a painting or a poem, and there is in consequence little to hold us beyond the recognition that here is a good man doing a good job. Matchless though a length of rope might be, it is still rope; the satisfactions of a major cake are undeniable, but they are also circumstantial.

Unfortunately Mr Read has chosen not to leave it at that. Last night's presentation of a gentleman blacksmith was not only couched in romantic leishenwork, it was also interlarded with the subject's own reflections on his work, and it must be said that the skill and dignity of that work came dangerously close to being lost in rather precious self-revelation. Moments of exaltation shot through with fear, was how the blacksmith described the manufacture of a poker. "One loses consciousness of self, for the whole mind is in the work." Asked what he did when the day's toil was over, he murmured: "I just like to be very, very still." Fine, but when that same man, a moment before, has averred: "I don't think of myself as an artist, but as a workman" are we not perhaps entitled to inquire who is kidding whom?

Musical high spirits in Monte Carlo

The year after next the Monte Carlo Opera House celebrates its centenary. Charles Garnier built it almost as a miniature replica of the Paris Opera. Indeed it was money from Monte Carlo's casino that helped to save the Opera when it ran into financial difficulties during the construction period, an affliction known to other state-subsidized theatres. Part of the deal was that Garnier should do for Monte what he did for Paris. He carried out his commission to perfection and then left the opera scene, although Nice along the coast was designed to his plans.

The theatre opened with a concert conducted by Romeo Accursi, whose orchestra had previously played *Herold* and *Gounod* twice a day to drive away the melancholy of those who had not done too well at the gaming tables. *Herold* is duly honoured on one side of the auditorium, together with Mozart and Verdi; on the other Gounod is joined by Rossini and Gluck. The story of the early years is told in Tom Walsh's excellent *Monte Carlo Opera*, although he stops short of the premiere of Massenet's *Don Quichotte* (Massenet was much taken by Mousset and the Monegasques by him) and the beginnings of the Ballet Russes.

In advance of its own centenary Monte Carlo has just been celebrating another anniversary, that of Matilav Rostropovich, whose fiftieth birthday is on Sunday. The cellist chose Monte Carlo for one of his two French birthday concerts, the other being in Paris. He certainly gives his audience full measure: two concertos by Vivaldi, one each by Boccherini and Haydn and Bach's second suite for solo cello on paper look like a musical marathon. Rostropovich must surely be the only cellist in the world who can make such a programme pass by almost in a flash and without a trace of monotony.

The Vivaldi pieces were sparkling, appetite-whetters for Bach and for a dazzling account of Haydn's C major concerto. Rostropovich is above all a joyous performer, relishing the wit of an instrument other players make sombre. At one point he seemed to catch sight of a large female cellist, much like Lady Jane in *Patience*, on the Opera's painted ceiling celebrating the four muses and gave her a colleague's wink. Beyond the good humour there was music-making of considerable intensity, aided by the intimacy of the house, which seats under 600, its superb acoustics and the elegance of the strings of the Monte Carlo Orchestra.

At the end of the evening Rostropovich was presented with the Grand Prix Charles-Cros for his services to the recording industry last year. Rostropovich blew his audience a kiss, gave them a symbolic



ing and contented himself with a single sentence, "Merci, je vous remercie".

Prince Rainier and Princess Grace were present at this performance and also for the major new production of the opera season on the next evening, *The Barber of Seville*. Monte Carlo drew in some extent from La Scala's *Barber*, using the same Zedda edition and taking Enzo Dara and Paolo Montarsolo for Barolo and Basilio respectively. Margherita Wallmann's production had little original to say about Rossini's opera; but the evening had considerable musical distinction, much of which came from the *Almaviva*, Ernesto Palacios.

Palacios's tenor has a fresh and clean timbre with the agility to cope with Rossini's brilliant runs. In many ways he is a young Luigi Alva and he is surprisingly, he is a fellow Peruvian. He has not yet taken on Alva's high spirits and nimble movements, but there is plenty of time in an opera where where stylish Rossini tenors seem even rarer than Tannhäuser's who can stay the full engagement book, which he does not overstretch his voice.

The Rosina, Lucia Valentini-Terrani, who was heard at Covent Garden as La centrepiece during La Scala's visit a year ago, also sounds in excellent prospect. She is impetuous on stage and needs more helpful director than Mrs Wallmann, but the voice comes out with reassuring accuracy. "Bella voce! Bravissima! Count Almaviva's compliments after 'Contro cor' could be endorsed entirely after Valentini-Terrani had sung the aria.

Monte Carlo wisely framed these two young artists with these two young artists with experienced support. Rossini

Top: Rostropovich and birthday cake. Above: Ernesto Palacios in *The Barber*

Biscantini charged his way through "Largo al factotum" disregarding the conducting of Franco Mannino, but having quite literally got that one off his chest settled down to a well-orchestrated

Enzo Dara's doggy Bartolo, beaten almost before the opera begins, is a delight, and so is Paolo Montarsolo's tousle-haired Basilio.

John Hoopes

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"Another masterpiece" DAILY TELEGRAPH

SATYAJIT RAY'S new film

THE MIDDLE MAN (AA)

Let there be no doubt, Satyajit Ray is one of the master
directors of today SUNDAY TIMES

"Profoundly illuminating and compassionate" SUNDAY TELEGRAPH

"A film of very special quality" EVENING NEWS

Mud-slinging will not help to give our children a better education

Hysteria about the comprehensive schools reached a new pitch this week. On Monday BBC television's *Panorama* provided those who can afford to choose with a convincing alibi for not sending their children to such schools. Their film—which they failed to point out was made in a priority area school attended almost exclusively by working class children, perhaps as many as half of them from families who have recently immigrated to this country—concentrated, without saying so, on a lower ability, difficult class in a streamed school, and gave considerable prominence to probationary teachers, the beginnings of lessons and the antics of the camera conscious children in the back row.

The public hysteria has done a service in making education a matter of political moment.

Callaghan to break his 30-year silence on the subject. It has led to the appointment of a powerful and persuasive minister and the staging of a series of regional debates which will be followed by a white paper in the summer.

Today the penultimate regional debate is being held in London. The outside trumpetings contrast strangely with the atmosphere of cautious and polite moderation that has characterized these meetings so far: moderation to the point of banality and redism.

But this *corro-roce* insecurity is part of the same thing. The maintained education service is suffering from low morale and public spending cuts. Those engaged in it—teachers, administrators, examiners, politicians—know that while the problems and failures are obvious, the cures are subtle and difficult.

How do you make the existing stock of teachers better, since there is little opportunity now to draw in large numbers of high calibre recruits even if they exist? How do you produce in schools which bear the whole brunt of today's social upheavals—schools which cannot select their clientele or readily alter the curriculum—the sort of time and tranquillity which are needed to foster the diverse talents of all the children? How do you do this without more money?

What sort of curriculum guidelines and systems of assessment will help to produce higher standards and more continuity without undermining professional self-confidence, destroying initiative, stoking up paranoia and providing a prop for the jazy and scarcely content who can scrape the minimum required standard on a minimum of effort?

The attempt to tackle these matters is not assisted by a politically polarized slanging match. Agreement is required to keep a very rocky vessel afloat, and even if it is more conducive to constructive thought than is throwing mud.

Auriol Stevens

The author is deputy editor of *The Times Educational Supplement*.

Twenty years ago, a front seat at the great design that became the Treaty of Rome

Roberto Ducci, Ambassador of Italy to the Court of St James's, was present at the signature of the Rome Treaty establishing the European Community, whose anniversary is commemorated today by the heads of government of the nine EEC countries, meeting under the chairmanship of Mr Callaghan in the Palazzo dei Conservatori on the Capitol. From 1955 to 1957, Signor Ducci was chairman of the six-country Institutional and Drafting Committee, which met regularly in the framework of the Brussels Conference of Foreign Ministers, preparing their discussions and translating their decisions into the text of the Treaty. Later Signor Ducci Delegation to the UK-EEC negotiations of 1961-63, and continued to be active during the following years in the field of European integration. Here he recalls the events and the hopes of that auspicious day, March 25, 1957, which marked the birth of the European Community.

In the afternoon of that day, 20 years ago, a fresh westerly wind was pushing large grey clouds across the Roman sky. There were frequent showers, but the air scented of spring. One sensed that the sun might reappear at any time, before the night set in. It was a typical March day in Rome.

Not many were the onlookers on the Capitol as the plenipotentiaries driving under the starlit sky of the Palazzo dei Conservatori to land their cargo of men and more or less great, into the palace were the already mythical figure of the German Chancellor, Adenauer; the Foreign Ministers of Belgium, France and Holland, Spaak, Pineaun and Luns; the

Prime Ministers of Luxembourg and Italy, Beck and Segni.

In a few minutes the Six (or more precisely the 12, because two people for each country were signing the treaty) were seated at a long table in the Sala degli Oraci e Curiosi, ready to listen to the ceremonial speeches. Behind each pair of ministers was a small group of advisers and private secretaries, chosen primarily among those who having been on the battlefield in Brussels now deserved to be at the triumph on the Capitol (not very far from the Tarpeian Rock, in any case). I was in the group of the Italians, having spent most of my days since October, 1955, working in Brussels on the great design.

That 12 plenipotentiaries were gathered on the Capitol on March 25, 1957, was due to an initiative of Paul-Henri Spaak. On February 27 the six foreign ministers had met for the last time in Brussels to tie up the loose ends. When the draft of the treaty had disappeared, Spaak turned to me—I was sitting on his left as chairman of the drafting committee—and asked whether there was anything else to discuss. "Not that I know, Sir," was my answer, and Spaak said: "The treaties and protocols with their annexes stand therefore approved by the six governments." An applause rose from the other five ministers, and was taken up by the whole assembly. The eyes of some people were filled with tears, most hearts were full of content.

The great enterprise had started with little more than generic good will, we had lost focus more or less, but without dismay, we had successfully gumbled on a favourable turn in French parliamentary opinion, we had conceded a lot to mollify the people of little

faith, we had found a bit of luck in the unlikely Suez war which had convinced the French Socialists that there was no more room in world politics for the nation-state of the 19th century. The treaty was there, in front of us, ready to be signed.

"Gentlemen," said the Socialist Spaak when silence was restored, "we still have one decision to take—namely, in which city the ceremony is going to be held. I propose that we choose Rome, the most august of our capitals, whence three times in history civilization came to Europe."

There had been no time to complete the three translations; and in any case there would have been no time to print on parchment four times 200 pages of text. Italian ingenuity rose to the challenge: only a handful of people among those seated in front of the tapestries depicting the flight of the Horaces and Curiaces knew that the page on which the plenipotentiaries were going to affix their signatures—"in witness whereof"—was the only one where something had been printed: the 197 other parchment pages were completely blank.

Thus ingenuously, good will and good luck were present at the final ceremony as they had been throughout the long and tortuous way; but the success of the endeavour was not due to those factors only. Certainly the dream of the vast establishment of a United States of Europe (a phrase coined by Winston Churchill in 1930) had been shelved after the failure to achieve it by the short cut of a defence union in 1954. But to achieve an economic community, which was to be much more than a customs union and infinitely more than a free trade area, was in itself a success that nobody had believed possible two years before.

The goal would not have been attained if a little band of dedicated diplomats and experts under the guidance of Spaak had not proved that a credible blueprint could be drawn up in a few months and months of political and economic work in Brussels. If Jean Monnet had not kept the six governments under constant pressure through his committee of plenipotentiaries and trade unions, the work would not have been done. The treaty had been discussed and drafted in French, had to be signed also in a German text (and therefore in Italian and Dutch texts as well).

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some of the faith of the halcyon years of 1948-53 in a common destiny and joint endeavour of the European peoples were not still smouldering in the breasts of statesmen.

An Economic Community would never have seen the light if the inspiration had not been political: we would never have covered the whole length of the road if the mirage of a more perfect union had not glittered in the distance. The French had signed and given parliamentary sanction; and the withering of its political spirit is perhaps the main cause of the present waning of that proud enterprise.

The last of the main scores of signatures was finally affixed on the last of the empty volumes. Immediately the ancient bells were loosened in the tower of the Palazzo Senatorio, their solemn ring mixing with the brass flourish of trumpets and reverberating through the air which had finally become serene. Through the windows came the pale blue light which the sky of Rome reflects upon the earth when the west wind suddenly turns to north-west. In the Piazza there were many more people now, some cheering and shouting. A few friends and I went off in our official car and close to walk down the ancient steps which from the Capitol descend to the houses of the Colonnas.

This was indeed, we felt, the most august place on earth, the tower of the Palazzo Senatorio, where for a millennium safeguarded the City and the World, where the gods of distant tribes had found right of citizenship, where the altar of the New Alliance had replaced the shrine of Jupiter Optimus Maximus. Michelangelo had created the finest monument to the Renaissance.

And here, that same afternoon, the doors of hope had been flung open—it seemed—

for us and for millions of men and women who could now look forward to a happier future. Hastening towards Piazza Venezia we were feeling elated and young (we were young), as if our eyes had seen the dawn of a new century.

David Spenser, our Diplomatic Correspondent, writes: "Alas, it did not turn out quite the way the young fathers hoped. The tenth anniversary celebrations were also commemorated in Rome. It was, for me, one of the most dispiriting international meetings I have ever regarded."

The President of the Commission, Professor Hallstein, the man who, like it or lump it, had done more than anybody else in Europe to create the Community—as a living organism—was there on the occasion. The French had allowed him to come but had refused him permission to speak.

On the most important question of the day, which was whether talks should be started to bring Britain into the Community, the general postponement and prevarication. He told his colleagues that a study might be made of the British application but it must be "prolonged" and "prolonged" meant that the talks which had stretched three times never be satisfied.

So for those who still felt a glow of the original ardour which inspired the Community's founders, there was little to celebrate. What the occasion showed was that the Community was out of balance. Until the question of British entry was resolved, the other five would never be satisfied.

The general did sire the Community some colour, though. One must concede, in all conscience, that Britain's lacklustre performance in Europe seems to be justifying, at least in retrospect, some of de Gaulle's apprehensions.

Bernard Levin

Scandal can force open Russia's iron fist

This is the curious (and heart-breaking) story of the Tribunal that did not start in the daytime, and since it was due to start this very day, its story deserves telling. For the release last week of Dr Mikhail Stern from the Soviet concentration-camp in which he had spent over two years is an extraordinary event, an "implication" of the most extraordinary in the whole course of the modern dissident and emigrant movements within the Soviet Empire. And since those implications seem to have been missed so far, I think it important to explain what they are.

Perhaps it will be useful if I first summarize the main points of Dr Stern's history. In 1961, during one of the periodic waves of Soviet anti-Semitism, Dr Stern, a prominent Jewish doctor in the area in which he lived and practised, for this he was himself accused of child murder in circumstances which made it seem likely that the ancient accusations of Jewish blood-sacrifice were about to be revived. The case was quietly dropped when the child he was supposed to have murdered proved to be alive and well, and possessed of an exceptionally courageous attitude towards the authorities against the false accusations.

But although Dr Stern was not proceeded against on that occasion, he was marked down for vengeance. When, in 1973, his two sons (but not at first, he) applied for permission to leave the vast prison that is their native country, pressure was brought on him to prevent or dissuade them from proceeding with the application.

He replied that he would seek neither to encourage nor to discourage them in the daytime, and since it was due to start this very day, its story deserves telling. For the release last week of Dr Mikhail Stern from the Soviet concentration-camp in which he had spent over two years is an extraordinary event, an "implication" of the most extraordinary in the whole course of the modern dissident and emigrant movements within the Soviet Empire. And since those implications seem to have been missed so far, I think it important to explain what they are.

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guilty, and sentenced to eight years in a concentration-camp.

An almost unprecedented international campaign (one appeal for Dr Stern's release was signed by 15 Nobel Laureates) was launched on Dr Stern's behalf, culminating in the setting up of a Tribunal, to arraign Soviet and semi-persecution before the world, which was due to start its deliberations in Amsterdam today. This international Tribunal, organized by an equally broad-based committee, was to hold a two-day hearing into his case; it consisted of an eminent jury, before whom a series of experts in such fields as international law, medicine, human rights, and the Soviet legal system would have reported on the case as it came within the purview of their specialties; in addition, there were to be witnesses to give first-hand testimony about the case (both Dr Stern's sons were to get out of the Soviet Union in the end). For one of the most striking and repulsive features of Dr Stern's persecution is the fact that his arrest, treatment, trial and conviction were all illegal from beginning to end and under Soviet laws which were in violation of the laws of civilized nations.

So much for the story; now for the implications of his release. Until now, the effect of Western pressure on behalf of Soviet victims has worked in a largely indirect way, and results have been impossible to predict and difficult to attribute to any particular campaign or action. With the possible exception of Lord Olivier's perfectly timed intervention on behalf of the Panovs, with his hint of

restrictions on British-Soviet cultural exchanges, the release of Dr Stern is the only success of the campaign, and it is reasonable to expect with reference to a specific Western action: the setting up, of the Amsterdam Tribunal, *Ad hoc*, proper hoc.

It often surprises even some of those who keep a close watch on such matters that totalitarian states make any notice at all of protests outside. Why should leaders as ruthless and powerful as those of the Soviet Union care what people in free countries think about them and their rule? In the answer to that question there lie two great truths about modern totalitarianism, both of which offer comfort to its enemies and victims.

The first revelation is the more obvious: the Soviet Union has to take account of opinion in the rest of the world because her leaders know that opinion in free countries can and does affect the policies of the countries and since Soviet policy is indivisible, to make the people of the free world more convinced that these tyrants mean to do freedom harm if they can would be to risk losing advantages that they might otherwise hope to gain.

The second, however, is the more important. When the Soviet leaders release some victim, order a court to impose a lenient sentence, expel a dissident rather than imprison him, it is a sign that they know that though not a word of the truth is published or pronounced inside the Soviet

Union, it gets there nonetheless. It has long ceased to be possible for any country, however unblemished and strong, to hermetically seal a state within its own borders.

This has been true for some time, of course. But the release of Dr Stern, and its timing, makes it clear that the Soviet Union is susceptible to the most direct pressure, provided it is so applied as to achieve its effect at the right time and in the right way. The Soviet authorities knew that the Amsterdam Tribunal was due to hold its hearings at the end of this week; they knew that the result would be a very widely publicized indictment of their crimes, their inhumanity, their violations even of their own law, and of their anti-Semitism. And they knew that such a result would do their sufficient damage to make it preferable for them to release Dr Stern.

As I say, this may be the first such direct connection between the pressure and the result, and it is also very useful: it provides a new weapon for those trying to help the victims of persecution in the Soviet Union. For instance, the organizers of campaigns on their behalf have long known that a part of the publicity campaign should be to make the organization of protests by scientific, academic, professional and similar bodies, contacts with which the Soviet authorities have been very important. But this has not always been a powerful weapon, they are accompanied by a warning that cooperation will be withdrawn if the scandal to which they are directed is not abated.

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From now on, with the case of Dr Stern and the pressure can be much more effective. A threat by British scientists to withdraw from a symposium gathering, say, if some Soviet scientist or group of scientists is not left alone to conduct some aspect of Soviet research, may be important (at the moment, the most notable example of this is the forthcoming Congress of the World Psychiatric Association, where a withdrawal of Soviet abuses of psychiatry is to be mounted by some group of writers). A concerted international public campaign, half of a particular with the details of his life being revealed in such a way as to make the Amsterdam Tribunal would have provided these are the ways in which help can be provided in most effective and practical manner. The campaign for Stern's release was, in no way, unprecedented; alas, it has been too many individual cases of persecution that the methods chosen to press campaigns have been too many. The Tribunal, in fact, was new, never so far as the effect had. Dr Stern will certainly be the last victim for whom such help is devised. It is impossible to believe that this will be the last for whom help may be successful.

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"Help me to make Emma's old age golden"

Bob Monkhouse

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The Times Diary

Drowning men in shotgun wedding

CHINESE LEAVES ISRAELI

This label from a pack of *Greenery* appears to announce the poignant end of an inter-racial relationship.

It was the other way about, with Labour being forced to abandon the "red blood of socialism". After that, strong stuff, it was a relief to return to the line over *The Guardian's* analysis of the day's events: "After the gloom, the sun uplands beckon." The image lacks reality, both in the political and the geographical senses, but it is nice to think that somebody believes it.

No joke

It is easy to laugh at things one does not understand, but that is one of the reasons I

VORY COAST

Despite blemishes, a promise kept

by Frey Morison

Félix Houphouët-Boigny, President of the Ivory Coast, is a man of many faces. He is a statesman, a diplomat, a politician, a man of letters, a man of the people. He is a man who has kept his promise to the people of the Ivory Coast, despite the blemishes of a long and difficult journey.

The political continuity of the Ivory Coast since 1959 is not a mere accident. It is the result of the continuing alertness and insistence for self-practice of the President, through his statement that "if one like the crocodile, in sleep with one eye open" contains more than a grain of truth. Also the stability has been caused in large measure by the high degree of organization of the ruling party, the Ivory Coast Democratic Union or PDCI.

The pervasiveness of the party and its intensive cell structure (even students studying abroad are highly organized by the party) have much in common with the way a communist party is run, even though in this case the party is devoted to western and capitalist ideas.

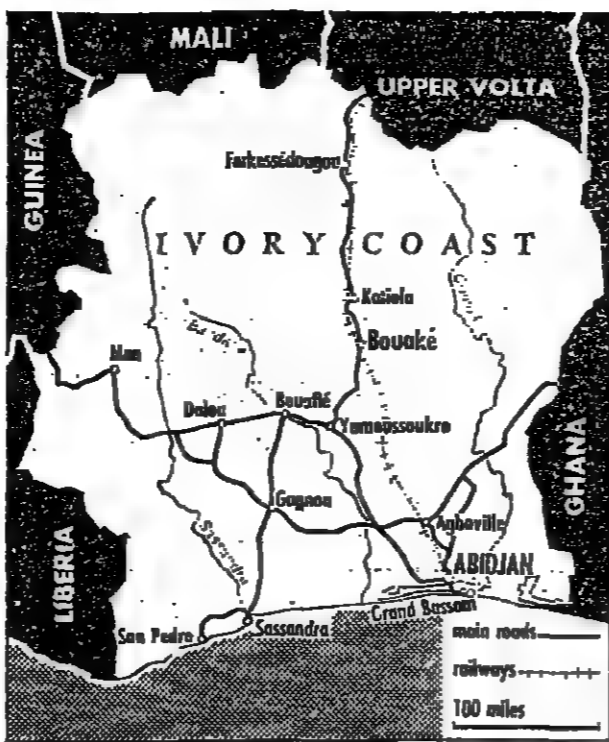
The secret visit by Mr Vorster to the Ivory Coast led to much-publicized visits by Dr Connie Mulder, the South African Information Minister, to Abidjan and a visit by his Ivorian counterpart, M Laurent Dona Fologo, to South Africa, where he vigorously attacked apartheid.

The South African authorities had to waive certain rulings on apartheid for M Dona Fologo. His white, French-born wife accompanied him throughout his visit although South Africa's "immorality laws" forbid marriage and sexual relations between black and white.

If the Government's policy of dialogue with South Africa has been the most noteworthy aspect of its foreign policy, the heart of the Ivory Coast's foreign relations has been an extremely close, cordial and mutually profitable relationship with France. The source of most foreign assistance and the leading trading partner, France has also left an indelible mark on the country's culture and general way of life. Even today much of Abidjan, the Ivory Coast capital, looks very much a French city.

That the relationship has prospered has been due in large measure to the President, who has enjoyed close and cordial relations with Presidents de Gaulle, Pompidou and Giscard d'Estaing. The ease of these relationships is explained, at least in part, by M Houphouët-Boigny's image as a "grand old man of French-speaking Africa" — something he shares with President Léopold Senghor of Senegal — and because he had played a key role in metropolitan French politics long before the Ivory Coast's independence.

If the policy of dialogue with South Africa has at times complicated relations with some of the other African states, the Ivory Coast has none the less managed to preserve good relations with most of its neighbours. The most notable exception is Guinea, whose far-left President, Sékou Touré, regularly fulminates publicly about President Houphouët-Boigny's supposed political wickedness and accuses him of plotting with the French.



to bring about his downfall. Tens of thousands of President Sékou's fellow-citizens have shown how they feel about the respective merits of the two regimes by "voting with their feet" and establishing themselves in the Ivory Coast where there is a large Guinean exile community.

Otherwise relations with neighbours are generally good, with a particularly close working relationship with fellow members of the council of the continent: Niger, Togo, Benin, and the Upper Volta. The Ivory Coast also has close working relations with most of the other French-speaking states through their organization, OCEAN, and is working within the West African Economic Community (CEAO) to bring about some practical steps towards greater economic cooperation between the French-speaking states of West Africa.

At one time Ivory Coast and other French-speaking West African states showed considerable suspicion and fear of Nigeria, the region's most important power in economic and population

by Patrick Gilkes

Ivory Coast in its 16 years of independence has managed to preserve an enviable record of economic growth and a rare political stability. These achievements have usually been seen exclusively in terms of one person, President Félix Houphouët-Boigny. In his personality, his style of government, his genuine Christian faith and in his cautiously pragmatic and conciliatory approach.

It is a style that can largely be summed up in a word that the President has made peculiarly his own—dialogue—and it has been the fundamental key to both his internal and external political policies.

Whatever happens in a war, it ends in dialogue; but it is a dialogue more difficult than it would have been in the past, carried out in haste, in fear of humiliation. It is this concept that has been the motive force behind the President's most controversial foreign policy initiative, that of détente with South Africa.

Dismissing this as his strong belief that communism and the threat it poses to Africa is growing and that a failure to solve southern Africa's racial problems will allow the opportunity for communist military interference. M Houphouët-Boigny does not see this just as a threat to southern Africa, for socialist ideologies also pose an obvious challenge to the liberal capitalist economy that he has allowed and encouraged in the Ivory Coast.

It is an economic system that is still essentially run by French advisers—there were some 5,000 French at independence, now there are more than 45,000, symbolizing his commitment to France and to Eurafrique. Another of the President's own concepts, it supplies what M Houphouët-Boigny believes most Ivorians want, which is development rather than ideology that puts money in the pocket.

He often emphasizes that he was born a peasant and proudly claims that he is still one, though as he puts it, Le Premier Paysan. While it is true that he has accumulated four houses, two of

them in Europe, this perhaps underlines his common sense and thrift and, he believes, provides an example for Ivorian peasants to aspire to.

M Houphouët-Boigny has been President and leader of the Ivory Coast since independence and the country is his own creation in many ways. Indeed, he seems to have been becoming more and more aware of what he sees as his own place in history as the country's creator.

As he has aged—he is now in his seventy-second year—he has shown this more obviously: most recently there has been the building of his 52m mausoleum in his birthplace Yamoussoukro. This is the crowning edifice designed to make the town a permanent memorial to "the father of the nation". Similarly the President's paternalistic attitude to his people has been growing and Le Vieux, as he also likes to be known, now sees himself as one who has fulfilled his role in history.

Who will take over from the leader?

Yet in a manner reminiscent of Haile Selassie of Ethiopia in his last years, M Houphouët-Boigny has failed to deal satisfactorily with the questions that have arisen as a result of his pre-eminence, most notably who will take over when he dies. It is a measure of his overwhelming position that the two names most mentioned today as possible successors are the same ones that were bandied about 16 years ago—Philip Yacé and Jean Baptiste Mockey.

Philip Yacé is President of the National Assembly and, by a recent constitutional amendment, designated successor if anything should happen to the President. More significantly, he is also secretary general of the only political party, the Parti Démocratique de la Côte d'Ivoire (PDCI), and it is the party which holds the reins of power.

For all his dislike of communism the President has not been afraid to learn from

it for the PDCI resembles nothing so much as a communist party in organization, though without the ideology. It is controlled by the President, through a 30-man political bureau and is highly organized right down to the village level. In its gift are educational and job opportunities. Loyalty to party policy is expected and the party is swift to reward loyal and obedient service.

The PDCI is an essential element in the President's control of the elite, and as such the secretary general is certainly the country's second most important person. Without the doubts about Philip Yacé's health—officially he has ulcers but there has been much talk of more malignant diseases—there is no doubt that he would succeed.

But he is very much a person in the shadow of his predecessor. Houphouët-Boigny would and there are few who believe that he could or would provide what more and more Ivorians now think is necessary—policies to cope with the dangers slowly becoming apparent in the Ivorian system. These are the overall neglect of social problems and of health in particular, income discrepancies between urban and rural workers and between the elite and the mass of the people, the growing and unfulfilled aspirations of school and university graduates and the future of the role of France and French staff, as well as the future for the pool of a million or more cheap labour from Upper Volta, Mali and Guinea.

The whole basis of the "Ivorian miracle" is being questioned though still perhaps on an individual level. Dissent has never been institutionalized—indeed it is repressed with considerable rigour as during the workers' and students' strikes in 1963 and 1969 and again during the student strikes in January this year.

The President's famous dialogues have always been highly personalized. It was he who went to talk to the Ivorian students in France when they became critical of the country, and he returned from abroad to meet the students again this year.

His intervention was successful and greeted as another triumph for dialogue, but as one dialogue student put it: "A dialogue should be a discussion between two sides, not a monologue by one person."

One result of a failure to institutionalize dissent in any form has been that people who are seen as opponents of the President and who stand up to him in public do gain considerable support.

The most notable example of this is M Mockey whose years in jail after the 1963 plot and his refusal to come back into any position even though he was rehabilitated provided him with strong political and public sympathy. When M Mockey finally accepted reintegration into the party in 1975 and into the Government last year this damaged his standing in the eyes of some who prefer the few who have not compromised themselves.

But whatever the feelings among the younger members of the carefully chosen and controlled elite, there is no doubt that the President himself remains unchallenged as the leader of the Ivory Coast and will remain so until he chooses to retire or is incapacitated. When he accepted reelection for his fourth five-year term as President in 1975 he did so with apparent reluctance—many observers felt that he was planning to retire before the end and hand over to M Yacé.

M Yacé's illness has put this scenario in doubt and there are signs that the President is not yet quite ready to go. He may, of course, still do so—he has a love of secrecy that comes out over the question of government reshuffles which are frequently rumoured but seldom carried out.

But more and more of the Ivorian elite are beginning to have their doubts about the system that has concealed and isolated them so effectively for so long, and to feel that it should not survive Le Vieux. The longer the succession remains in doubt the harder it will be for any successor to deal with the troubles the Ivory Coast will have to face in the near future.



It is with great pleasure that the Republic of the Ivory Coast welcomes His Royal Highness, The Prince of Wales, to its shores.

Soyez le
Bienvenu
Prince de Galles



We acknowledge with gratitude the initiative "The Times" has taken in publishing today a Special Report on our country, maintaining its usual high journalistic standards.

The decision to publish this Report coincides with the official visit to the Ivory Coast of HRH The Prince of Wales. These two events have the same end in view, that is the strengthening of the links which unite our two countries in friendship. We are already in accord on numerous aspects of our respective policies, but the time has come further to strengthen the development of the Entente Cordiale for our reciprocal benefit.

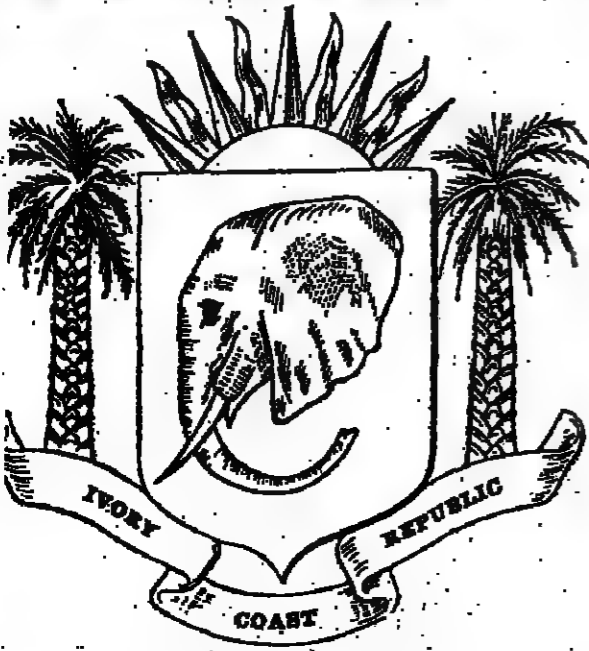
At the same time as the citizens of Abidjan and then those of Yamoussoukro make the acquaintance of HRH Prince Charles, the English themselves will—through "The Times"—be learning something about the Ivory Coast.

We appreciate that this supplement has been put together in a sincere and positive way, and we congratulate the journalists and "technicians" who have managed to capture the Ivory Coast as it really is.

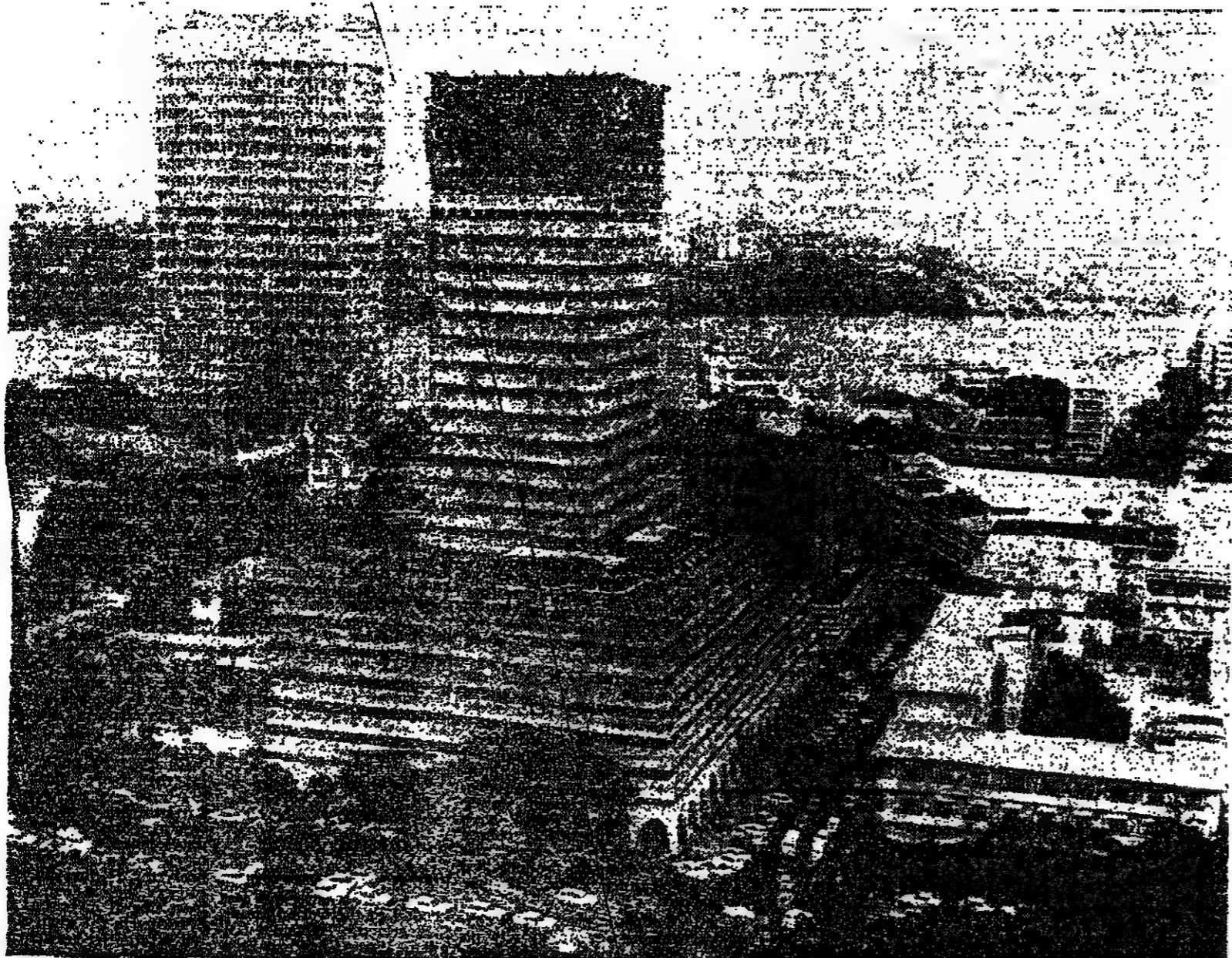
The real Ivory Coast is of course a projection of our economic expansion in the spheres of agriculture, industry and trade which are based essentially on our world policies, totally devoted to the happiness of all Ivorians; policies guided by the constant desire for peace through discussion; President Félix Houphouët-Boigny's motivating forces are peace and harmony, both for internal and worldwide relations. From these foundations we are ready to spread the fan (ouvrir l'éventail) of international co-operation; the fan which we would always want to open wider in respect of sovereign rights and opportunities for ALL men.

It goes without saying that among our allies Great Britain holds a favoured position which we hope daily to reinforce. A great newspaper of worldwide reputation supports the actions of a gracious Prince to serve this ideal. So Great Britain has today shown us a special friendship, warming still further our excellent mutual relations; our wish is to extend the hand of friendship to all the world and with this message we thank "The Times" warmly for its active support in this endeavour.

The Hon. Laurent DONA FOLOGO
Minister of Information, Ivory Coast.



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New scaled block is topped out alongside the Hotel du Parc, The Plateau, Abidjan



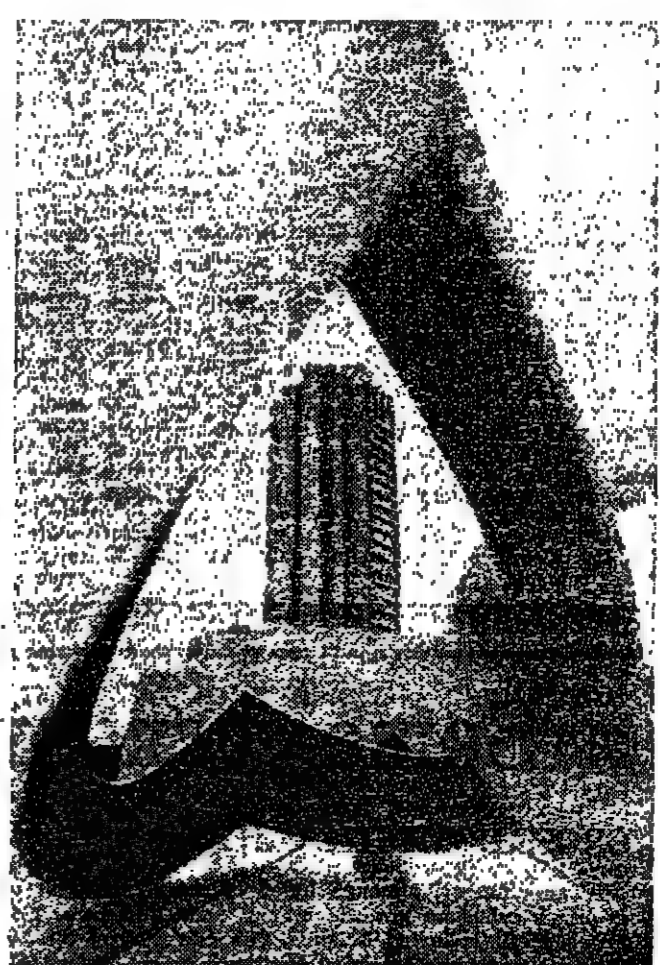
Ivorians enjoy and adapt easily to industrial life



Rubber—Ivory Coast is now sixth in world



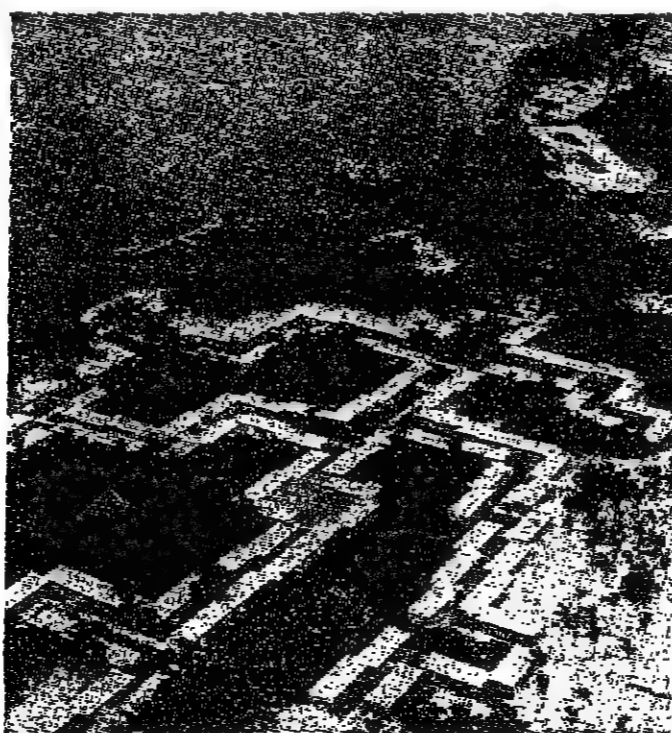
The "Hardwoods" port, Abidjan



The tower block—Hotel Ivoire



Swimming pool, Abidja—tropical ambience

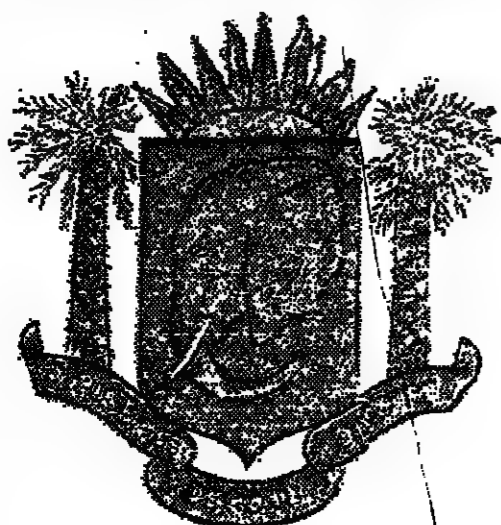


Village—Club d'Assinie



The Hotel Forum Golf has now opened on the Abidjan riviera

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'ABIDJAN'

In Abidjan itself there is much to amuse and please you, beautiful hotels like the giant IVOIRE or the 'Hotel du Parc'—both famous for their marvellous food; the shops on the Plateau (Hotels like du Parc, Grand and Tiana are all situated in the Plateau district) and grand restaurants such as Le Cabanon, Haiphong and Acapulco; exciting night life at Clubs like Le Gorille, La Boule

Noire or Le Q-Club and modern cinemas showing the latest films. If you are a bit adventurous, cross one of the two great bridges from the Plateau and explore Treichville market; perhaps you will return to your hotel with a Baoulé statuette or a Gourou or Dan mask; if you stay after dusk you can go to a Mauritanian dinner at (famous dish: Pigeon with Almonds) Chez Babouya for 1,500 CFA all in. If you like swimming, water skiing, underwater fishing, yachting, riding, playing tennis, fishing, golf, hunting or photographic game, soaking up the sun and the ambience of Africa, you should come to Ivory Coast.

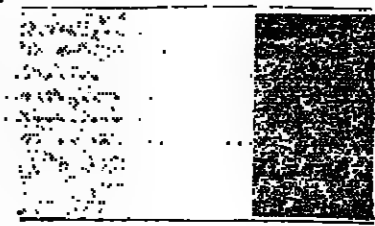
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Port is key to development

by Susan Morgan

In a country full of ambitious (and successful) projects, the San Pedro scheme is, perhaps, the most ambitious. It involves not only developing a port (now in phase two) on an impressive scale, but also using the port as the key to the development of the south-west.

This is a priority of Ivorian development. The intention is both to iron out regional disparities and to achieve the full potential of the hinterland behind the port where a large number of agricultural schemes are under way and undergoing expansion.

Agricultural produce for export from this region will all pass through San Pedro and much of it will be processed in factories in and around San Pedro before exportation.

Already the port of Abidjan and Abidjan itself are both approaching saturation point. A seemingly interminable and unending traffic jam on the road north recently convinced me of

this. Much of the traffic consisted of lorries carrying huge logs which will in future be diverted to San Pedro. This represents a great saving in distance hauled as most of the forest (60 per cent) lies in that region.

Plans for a new port (the Ivory Coast's second largest, as an Ivorian graphically put it) have been going on since 1959. San Pedro was chosen first because it was the best natural harbour. It was also situated in the heart of the south-west, an added bonus for development plans.

Although San Pedro was a small fishing village originally, it has now been developed into a stable town and it is still growing. Covering a site of some 70 acres, it now comprises a commercial and residential zone. There are about 35,000 inhabitants, 3,500 concerned directly with the port. By 1990 a projected 100,000 people will live there and the final figure is for 400,000, which gives some idea of the scale of operations. Low-cost housing is to be provided for residents.

The port was opened in 1971. At the mouth of the San Pedro river its natural rocky promontory was extended by a breakwater of

240 metres. Initially two docks with depths of nine and 11 metres respectively were constructed as well as two log basins, two warehouses and facilities for service craft.

The initial cost of the project was 6,000m CFA francs. The present phase two involves the building of two more docks at a cost of a further 5,500m CFA francs. The third phase will involve building 10 new docks at a cost of about 20,000m CFA francs.

In order to make San Pedro commercially viable, a road network has been established, though work is still going on. In 10 to 15 years there will be 400 miles of tarred roads and 430 miles of high quality earth roads. As well as the road network linking San Pedro with the interior to help to transport goods, a projected coast road will link San Pedro with the capital Abidjan while routes to Liberia and other places are also envisaged.

The development of the interior south-west is based almost entirely on forest exploitation, though soon the extension of other agricultural projects will bring diversification from this monoculture. Particularly since other crops have much

shorter growing cycles than trees. Between 1968 and 1973 basic service developments permitted the opening of five new processing plants (wood sawmills) as well as veneer and plywood plants with a total capacity of 200,000 cubic metres a year.

Major processing plants at San Pedro are, as would be expected, mostly based on local resources. There are plans for latex coagulation, palm oil and essential oils, a projected rice mill, cocoa and coffee packing stations, and plants for processing other foodstuffs.

There are sawmills in Duyo, Béréby, Gueyo, Sasandou, Zagané, Tébou and San Pedro and timber is produced both for export and the domestic market. The combined capacity of these mills is more than 350,000 cu metres a year. In 1975 300,000 cu metres were exported. Increasingly timber will be processed and more of it will be exported.

The interior is being developed into an important agricultural zone. New, high yield varieties of crops and more intensive cultivation are expected to show dramatic results in exports. Crop estimates by 1980 (in terms of acres planted) are: coffee, 128,000 acres; cocoa,

116,000; coconut palm, 36,000; oil palm, 86,000; citrus fruits 6,600. While cocoa and coffee are tried and tested export leaders, products such as citrus fruits are more recent introductions.

The south-west is considered to have considerable tourist potential as there are a number of beautiful beaches in the region and interesting villages inland. There are more than 150 miles of coastline between Fresco and Tabou with sandy beaches. Other attractions include fishing, watersports and animal life (both in the forest and the national park of Tai).

An international airport is expected to open in the next few years and a total of 1,500 hotel rooms will be available. It is expected that 53,000 tourists will visit the region each year.

Far and away the most ambitious projects in San Pedro are iron ore (and related steel) and pulp. The pulp project involves investment totalling 40,000m CFA francs. The exploiting company is being formed this year and exports of wood pulp (an initial 300,000 tons a year) are expected to start in 1982.

Already 532,000 acres of forest have been set aside

for the proposed mill. Initially it will use hard wood growing naturally, but later there are plans to plant nurseries of eucalyptus and pine.

The other important project—the iron ore plant—is even more ambitious. It involves an investment of more than 100,000m CFA francs (by far the most expensive project in the country), including a 22 per cent stake by British Steel. However, because of setbacks in overall financing, this project will be delayed until the mid-1980s.

In terms of the tonnage exported, San Pedro is ahead of schedule, registering to the need for a second port. It handles well over a million tons of goods a year (almost entirely for export) and that figure is expected to double by 1980 and reach 2,750,000 tons by 1985. Until 1980, unprocessed timber will account for the vast bulk of exports, but then diversification will reduce its percentage considerably. The projected exports in 1985 are: raw timber, 225,000 tons; processed timber, 215,000 tons; clinker, 275,000 tons; binding material, 45,000 tons; coffee and cocoa, 330,000 tons; pulp, 300,000 tons; palm oil and kernels, 125,000 tons; latex, 100,000 tons.

Political stability attracts foreign capital

In terms of economic growth the Ivory Coast, a developing country, has been the envy of many industrialized nations. With an average growth rate of 8 per cent since independence, inflation caused by oil prices and the recession of the past few years, there was still a growth rate of 6 per cent from 1971 to 1975.

Perhaps the overriding attraction of the country for foreign capital, even more than its economic performance, has been its political stability—and the indications that it will survive President Houphouët-Boigny.

Stability and concentration on economic growth have been almost entirely caused by the pragmatic policies of the man who has been the country's President since independence.

The backbone of the economy is still agriculture and it is here that most investment is concentrated. Diversification particularly into processing agricultural products, is increasing, however, though industrial development has been slower than Ivorians would have wished. Industry accounts for about 11 per cent of the gross domestic product and agriculture about 31 per cent.

Economic growth will continue to depend heavily on foreign investment and loans (the proportion of Ivorian investment is growing, but is still very high). The world price for export crops and supplemented by heavy borrowing, much of it heavily on the Eurodollar market.

The ambitious five-year plan of 1975-80 calls for a total fixed gross investment of about 25 per cent as compared with about 21 per cent for the 1971-75 period. Domestic resources are expected to cover the vast bulk of the total—70 per cent—and the remainder 30 per cent will be supplied by foreign investment.

Foreign borrowing has been increasing rapidly. In 1975, Ivorians borrowed 125,000m CFA francs—almost double that of a year earlier—and clearly borrowing must continue at a high

rate throughout the five-year period if the plan's targets are to be met.

Observers believe that debt servicing, despite the huge sums involved, will not prove a problem and will be contained at between 10 and 15 per cent (according to Ivorian figures it will not rise above 13 per cent). However, observers are asking whether the Ivory Coast can continue to borrow such large sums at reasonable terms on the international capital market.

Sources of foreign investment have diversified considerably since independence—though now, as then, the French have the greatest share. By June 1, 1976, French capital accounted for 41 per cent of the total (a drop of 5 per cent from the previous year). Ivorian capital had risen to 37 per cent compared with 34 per cent in 1975, and non-French foreign investment to 22 per cent (an increase of 3 per cent on the previous year).

Clearly, the public sector in the Ivory Coast will continue to rely on the participation of foreign capital in its development.

For the moment it should have few problems finding the country offers one of the most liberal investment programmes in the world, allowing substantial repatriation of foreign capital and tax-free "holidays".

The growing tendency for managerial posts to be given to Ivorians is something which not all foreign investors view with undiluted enthusiasm. While Ivorian labour is being trained to fill jobs requiring an increasing degree of technical skill, it is proving difficult to train labour fast enough to fill the man vacancies.

Furthermore while many companies have training schemes to fill these vacancies they are doing it more difficult to place Ivorians as accountants and managers. Already there have been some mistakes because of over-hasty application of the policy.

However, the policy is irreversible, and many companies are taking the view that their best course is to train Ivorians as well and as extensively as possible.

Constraints on British investors include the low

Icy reception for the masses

The most incongruous element of Ivory Coast tourism must be that the largest hotel in one of Africa's steamiest capitals boasts an ice rink. Perhaps this sums up what is at fault with the Ivorian tourist industry—its emphasis on catering for the wealthy European dare rather than plumping for mass tourism which is essentially what the Ivory Coast needs.

There are almost no package tours available to the Ivory Coast. Ivorians have assumed that Europeans, who make up the bulk of tourists, will be prepared to pay full and expensive fares to the Ivory Coast, and pay to travel round the interior on top of this. This basic miscalculation is particularly serious now given the unfavourable climate of the tourist industry as a whole and the availability of cheaper alternatives. This approach has also lost the Ivory Coast valuable time as

both neighbouring Togo and Senegal have successfully cashed in on package tours.

This is a pity as the Ivory Coast does possess the basic tourist and hotel service (122 hotels and 4,146 rooms as of February 1976). This is impressive for a developing West African country. Nor are all these hotels concentrated in the capital, Sierbo, the government hotel chain, has a pioneering policy of opening hotels in the interior, using each year's anniversary of independence to build a new one in which to hold celebrations.

All offer swimming pools and air conditioning, many have further facilities such as tennis courts and all boast excellent French cuisine. Unfortunately, because many of them are isolated and the road and air network has lagged behind them, many are fairly empty for much of the time. A further drawback, at least as far as mass and the availability of cheaper alternatives. This approach has also lost the Ivory Coast valuable time as

On the credit side there are a number of projects afoot which should help to realize some of the considerable tourist potential of the Ivory Coast. There is a photographic game safari park in the east at Camoe (hunting is forbidden in the Ivory Coast) and another at Bouna in the north which has the added advantages of a sunny climate and a wealth of African antiquities—and traditional architecture and artefacts.

The south-west is another region slated for tourist development. It is an area of great natural beauty with hundreds of miles of white sheltered bays. The sea is both cleaner and less dangerous than around Abidjan. Various projects are at different stages of development though none is yet completed. These include two 400-bed hotels at San Pedro, where an airport is to be built, and several tourist villages.

While the Ivory Coast cannot boast the kind of big game safaris of East Africa,

game parks are being built. There is a great deal of remarkably interesting African village life in the interior, particularly around Man where there are mountains, fascinating scenery, and flora and fauna, as well as a much better climate than in the rather humid capital. Les Cascades at Man is a beautiful mountainous region with wooded and well watered hills where walking is a delight.

Again there are a variety and richness of traditional crafts. Pottery, weaving, carving and copperwork have survived the passage of time almost unchanged. So too have dances, some with masks and all with special costumes, which while known to the French are almost unknown to the British.

The provision of attractions of perhaps more enduring interest than mere sunny beaches (though there are those too) should do much to encourage tourist developments, particularly as

transport and hotels are improved and extended to make visits enjoyable rather than endurable.

Most tourists are European—and, as one might expect, most are French (43 per cent). Way down the percentage scale comes the next largest group, Americans, who account for 7.2 per cent of tourists, while the British represent only a tiny 2.3 per cent of the total.

The reasons for so low a percentage of non-French are the lack of direct flights and language and traditional ties with East Africa. A small but steadily growing number of Liberians find visits to Abidjan of interest. Not only tourism, but most hotel development and investment is also European, though it is not as great as the Ivorians might wish.

Abidjan, an important business and commercial centre for West Africa, is rapidly becoming an important conference centre, particularly since the Hotel Ivoire boasts a 2,000 capacity

conference hall. African conferences dominate.

In addition to the Hotel Ivoire, whose reputation overshadows its performance, there are many tourist facilities in Abidjan, which is an attractive if very un-African city of tall buildings and landscaped lagoons.

Development around the lagoons is being undertaken by both state and private capital, the latter including the United States Intercontinental chain. Tourist villages are also being developed.

The five-year plan hopes for 300,000 tourists by 1980, but such a figure would require heavy investment to bring tourism into line with other Ivory Coast developments.

Given time, however, and developments such as new airports and a change of attitude, the future is quite promising—if a little more distant than Ivorians might care to think.

S.M.

Some economic pointers:

GROSS DOMESTIC OUTPUT

The economy, although based on the agricultural sector which accounts for more than 30% of the country's economic production, has made significant strides in industrialization which represents approximately 25% (including Building, Public Works) of the domestic product. The country is not richly endowed with mineral resources apart from two small diamond mines and a major low-grade iron ore mine near Man which is planned to come into production in 1980.

In the decade following independence the Ivory Coast recorded a real average growth rate in terms of Gross Domestic Product of more than 7.7% per annum, the highest in West Africa. The period during the 1971-1975 Development Plan saw the growth rate reduced to an average of 6.1% per annum. This latter growth figure should be seen against a backdrop of the collapse of cocoa prices in 1971, a drought in 1972, and the tripling of oil prices in 1974. Cocoa prices have now recovered—in 1977 the income IVORY COAST receives from Cocoa (3rd in the World), Cocoa (3rd but challenging for 2nd place) and Palm Oil (1st) should be the highest ever; whilst timber exports are expected to produce over \$250 million.

Note: In 1975 Export earnings totalled: Coffee, \$285.7; Cocoa, \$276.3; Timber, \$203.1; Palm Oil \$48 (\$ US millions).

EXTERNAL LIQUIDITY POSITION

The external liquidity position of the country is dependent on the level demanded and price paid for its principal commodities. Thus within the last two year period reserves have fallen to a low of \$18 million in the third quarter of 1975 and rising to a high of \$160 million in March, 1976. A further factor affecting the level of liquidity in any given period is the timing of sales of commodities which is controlled by the Government.

A further indicator of the Ivory Coast's international liquidity is that shown by the liability asset position with the international banking community as calculated by the Bank for International Settlements. As at the end of 1975 international banks held \$260 million in assets in the Ivory Coast, having liabilities to the Ivory Coast of \$232 million. This statistic is illustrative of the substantial two-way relationship between the international banking community and the Ivory Coast.

*Includes the external positions in domestic and foreign currency of banks in Group of Ten Countries and Switzerland and of the foreign branches of US banks in the Caribbean and the Far East.

MANUFACTURING SECTORS

The emphasis in the manufacturing sector of the economy has been on small scale production specialising in the production of import substitutes based primarily on the processing of the country's main commodities. The food, beverage and tobacco sectors account for a major portion of the turnover. It is planned that textiles, already an important sector producing 11.7% of the 1974 turnover, will increase and become a major supplier of textile products to Europe, taking advantage of the country's associate membership in the EEC.

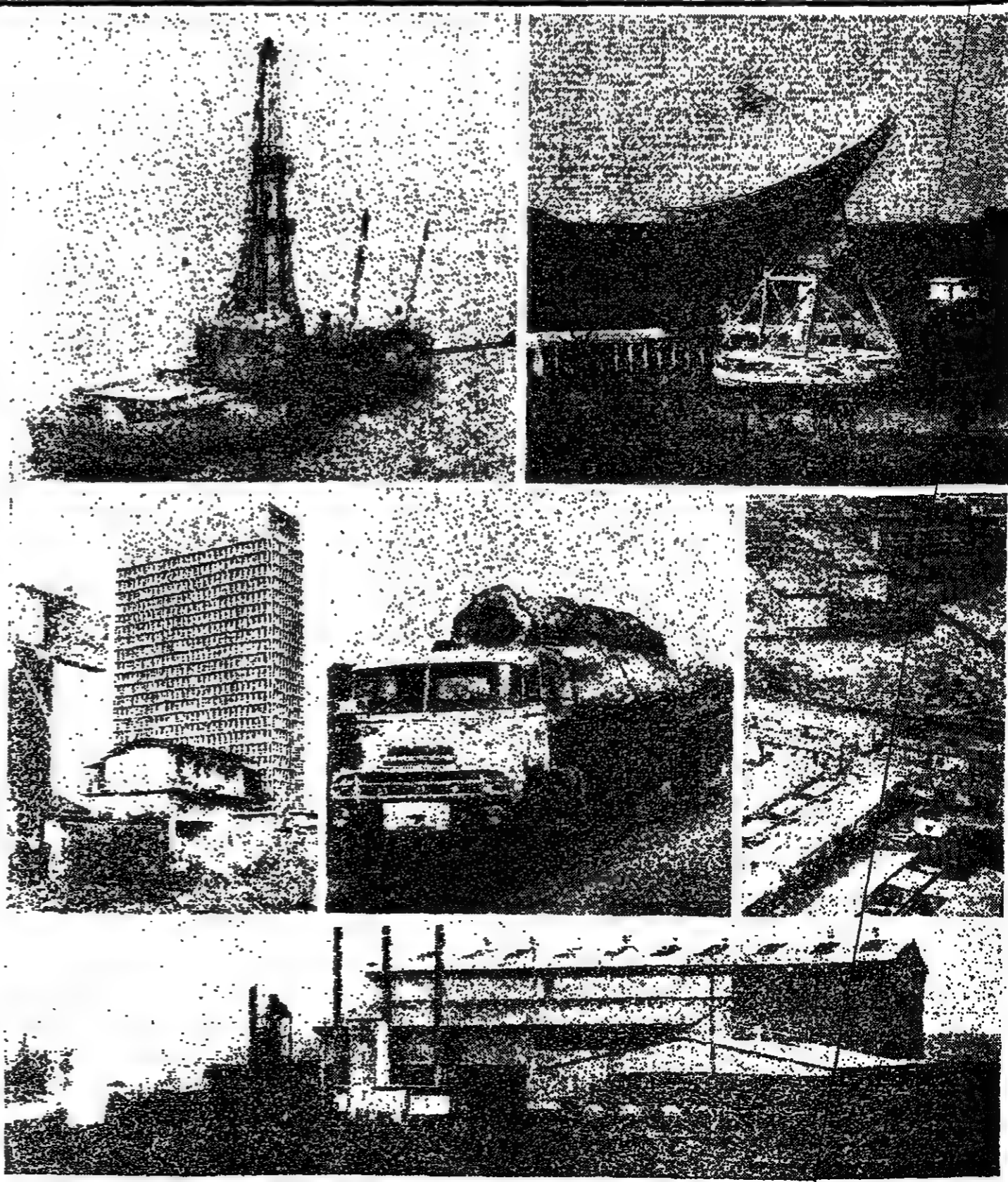
ELECTRIC POWER GENERATION

Hydroelectric power has been heavily promoted with the development of the Kossou Dam (MW175) and the Taabo Hydroelectric complex on the Bandama River (MW210). Thermal power is the traditional source of electricity and will remain an important generator for the foreseeable future. Two new thermal units are being completed at Vridi (MW75 each). By 1980 it is planned to treble the total production of electricity.

Sixteen major programmes for a great future:

Programmes	1977	%	1976	%
	(Special budget of Investment and equipment)			
Agricultural Development	38 085 700	15.5	11 567 800	19.2
Industrial and Mining Development	16 572 200	6.8	1 269 600	2.1
State Industry Holdings non-administrative	10 068 000	4.1	2 285 500	3.8
Transport	73 223 200	29.9	21 324 000	35.5
Post and Telecommunications	3 135 800	1.3	1 200 000	2.0
Energy	3 743 000	1.5	1 363 000	2.2
Town Planning and Habitat	34 598 000	14.1	5 457 300	9.0
Social Programme	166 000	0.1	132 900	0.3
Sanitary Development	7 401 800	3.0	1 234 000	2.1
Regional Funds for rural planning	556 000	0.2	490 000	0.6
Cultural and Promotion Programme	3 685 200	1.5	1 174 500	2.0
Training Programme	34 935 000	14.3	4 739 700	7.9
Basic general Studies and Research	1 072 000	0.4	700 200	1.2
General administration	10 961 600	4.5	5 451 700	9.0
Defence	6 639 000	2.7	1 663 000	2.8
Interior Security	180 000	0.1	120 000	0.2
Total	245 074 000	100.0	60 143 200	100.0

Note: Figures in millions of Francs CFA (415 CFA=£1 sterling)



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THE TIMES

BUSINESS NEWS

كتاب من الأعمال

How to
succeed
at inventing,
page 19

North Sea fields boost output to third of British oil demands

Roger Vielvoys
All output from the British North Sea oil fields is expected to exceed 100,000 barrels a day during February, a day during which the country's oil requirements are now being met by a combination of the country's oil fields and imports.

With the seven production fields still building up output and more reserves being added, the North Sea is saving Britain well over a day in imports.

But with the seven production fields still building up output and more reserves being added, the North Sea is saving Britain well over a day in imports.

Further monthly rises in output should ensure that the country's oil requirements are met by a combination of the country's oil fields and imports.

With the seven production fields still building up output and more reserves being added, the North Sea is saving Britain well over a day in imports.

Standstill for MLR as £800m stock is sold out

By John Whitmore
Financial Correspondent

The new £800m partly-paid Exchange stock, providing the expected sell-out yesterday morning, the Bank of England signalled to the money markets during the afternoon that it does not wish to see a further fall in interest rates at this week's Treasury tender.

This presumably means that the Bank is going to hold its minimum lending rate at 10 1/2 per cent for at least a further week, although a Treasury bill tender at roughly the same level of last week would in theory still allow the Bank to cut MLR by up to half a point more to 10 per cent this afternoon.

The Bank's signal was given by forcing the discount houses to borrow a large amount (£100m-£150m) at MLR for seven days. News of the Bank's move, which was taken to mean that the Bank was adopting a rather firmer line on interest rates this week than had commonly been expected, immediately triggered back earlier gains in the gilt markets. But the new Exchange stock is still expected to open at a reasonable premium today, probably of about half a point.

Although the Bank does not supply figures on the total applications for the new stock—Exchange 12 1/2 per cent 1992, offered at 95 1/2 per cent but with only £15 per cent payable on application—it would seem that the stock was roughly four times subscribed.

The basis of allotment is as follows: applications for up to £50,000 nominal of stock, offered in full, for £50,000 nominal; £50,000 nominal for £206,000 and above, allocated 23.88 per cent of application.

The attraction to the authorities of issuing a partly-paid stock at this stage is largely that it ties the market into a future funding commitment in the opening months of the next financial year.

The new stock is £40 per cent payable on April 25, with the final call for the remaining £40 per cent falling on June 13. These calls will be treated as gilt sales at the date of call and count towards meeting the Government's domestic credit expansion target for the financial year 1977-78.

Financial Editor, page 19

CBI attack on price control plan firmly rejects call for freeze

By Derek Harris
Commercial Editor

A scathing attack on the Government's proposed new price restraint policies is contained in the Confederation of British Industries' official memorandum, commenting on the consultative document from the Department of Prices and Consumer Protection.

The memorandum, published yesterday, maintains the CBI's major confrontation with the TUC on powers to freeze prices. The CBI also continues its demand for all price controls to run only for one year, compared with the plan by Mr. Hattersley, Secretary of State at the Department, to make the main legislation permanent.

But there appear to be seeds of agreement on some issues, especially in relation to the current cost accounting principles. The CBI also holds back from threatening lack of cooperation by industrialists in setting up the membership of a revamped Price Commission.

What now seems likely is that a comparatively simple Bill setting out the Government's plans in general terms will emerge from the drafting committee now at work. Some of the more controversial issues, such as the operation of price margin controls, detailed proposals for which will be made later.

On the criteria proposed as a general guide to the Price Commission the CBI urges that the commission "should have full regard to the principles of inflation accounting".

In addition to retaining existing reliefs under present margin controls—the target of some criticism from the TUC—the CBI wants provisions to allow companies to benefit from greater efficiency together with an improvement in safeguards and some investment relief provisions.

Hugh Clayton writes: Secretary in proposed cuts on prices was condemned yesterday as the food industry told the Government of looming dangers to investment. The Food and Drink Industries Council said: "The whole line of the proposals indicates that decisions would be taken by the Price Commission behind closed doors and recommendations made to the Secretary of State on undisclosed grounds."

"The food and drink industries will oppose strongly all attempts to freeze their prices temporarily as a result of decisions made in secret."

It said prices should not be frozen while the Price Commission examined the reasons for them. The safeguards suggested by Mr. Hattersley, which would be based on "minimum acceptable profit margins" were dismissed as inadequate.

"We are apprehensive that the safeguard would not be set at the necessary level, and thus that any freeze would mean less funds for investment."

Whitehall's Siberia to top post at Treasury

Mr. Lawrence Airey, who will succeed Mr. Alan Lord as Second Permanent Secretary in charge of the Treasury's Domestic Economy Sector on April 1, began his career in Whitehall's equivalent of a Siberian power station. For seven years he analysed, in deathless prose, no doubt, the morbidly and mortality statistics compiled by the Office of the Registrar General.

In 1956, the Treasury decided the General Registry was grossly overstaffed and Mr. Airey found himself taking minutes at the Cabinet committee dealing with Suez. Few transformations can have been as abrupt, and he quotes Gilbert and Sullivan's *The Mikado* to explain how he felt: "Taken from a county goal, by a lot of curious chances..." There was another principal in the Cabinet Office at that time called Fairley, and, inevitably, the team became known as the "Fairley and Airey" promotion gives Mr. Airey the chairmanship of the Industrial Strategy Staff Group, a monthly meeting of the TUC, CBI, NEDO and Whitehall economic departments, the key committee in the Government's attempt to regenerate British industry.

The essence of that strategy, he explains, is the coordination of all aspects of policy in support of the priority given to manufacturing industry.

North Sea oil can be used as the foundation of Britain's permanent economic recovery. Its fruits must not be squandered for short-term gains or else there will eventually be a "sickening lurch" back into the difficulties of the 1960s and early 1970s. Avoiding that regression he defines as the fundamental problem of British government and, at 51, he is in the centre of it.

Mr. Airey has direct personal knowledge of North Sea oil. It is one of two oil servants on the board of the British National Oil Corporation, an experiment he would like to see extended with Whitehall under secretaries on the board of British Steel, British Rail and the National Coal Board.

A tall, thin, quietly spoken man with a slight Georgian accent, he read history at Peterhouse, going up to Cambridge from Newcastle Royal Grammar School after the war. He still reads a good deal of seventeenth century English history. Another passion is early nineteenth century Russian literature, and he will immerse himself on holiday next week in a little known author called Korolenko.

He made his name in Whitehall in the mid-1960s working on the Treasury's nationalized industries desk under the present Secretary of the Cabinet, Sir John Hunt. One of his first tasks as Second Permanent Secretary will be to prepare the Government's latest White Paper on the nationalized industries expected in the summer.

His most difficult job to date, Mr. Airey says, was as an Under Secretary in Sir Douglas Allen's "private army" the coordinating unit set up by the then Permanent Secretary. He spent two trouble-shooting years in it in the early 1970s, handling, among other things, the economic and monetary aspects of Britain's accession to the EEC.

His present job as Deputy Secretary responsible for industrial strategy, nationalized industries and industrial assistance has been a direct preparation for his new post. Most of the lame ducks that have crashed through the Treasury's skylight in recent years have landed on his desk. Mr. Airey has come a long way from mortality and morbidity statistics.

Peter Hennessy

Pru bids for Standard Trust

By Our Financial Staff

After a protracted takeover struggle, the future control of Standard Trust moved closer to the Prudential Assurance Company when Prudential's bid for the Standard Trust was accepted by the Standard Trust's shareholders on Wednesday evening.

In a bid that has the backing of the Standard Trust's board, Prudential is offering 12 1/2 of its shares for every 100 held in Standard.

With the Prudential's shares falling 8p to 128p on news of the approach, this value Standard Trust's shares at 128p, the entire investment trust at £37m.

The bid includes a 70p offer for each £1 nominal of preference stock and underwriting for a cash alternative worth 148.8p a share was hastily arranged yesterday by a group of investors and a Prudential spokesman.

Mr. Peter Moody, a joint investment manager of the Prudential, said that the takeover amounted to a "quasi rights issue".

The offer from the Prudential, which already holds around 11 per cent of Standard, is the third approach Standard has had since the British Rail Pension Funds opened the bidding back in January.

Earlier this week unit trust group Schlesinger also announced that it had approached Standard with two proposals for unitization.

Standard has firmly opposed the British Rail approach, currently worth around 135p, and that is due to close today while Schlesinger's offer, which it reckons is worth some 140p cash, has been widely regarded as a non-starter.

Financial Editor, page 19

Monopolies panel bars Pilkington takeover of UKO International

By Nicholas Hirst

Pilkington Brothers has been barred by the Monopolies Commission from taking over Britain's major optical lens group, UKO International.

The commission's report on the merger, which was asked for in September after Pilkington's wholly owned subsidiary, a paper bid, then worth £23.4m, was published yesterday.

In conclusion that any potential benefits to the public interest would be outweighed by the detrimental consequences was accepted by the Government and Mr. John Fraser, a minister at the Department of Prices and Consumer Protection, told the Commons that the Director General of Fair Trading was to be asked to obtain an undertaking from Pilkington not to proceed.

A spokesman said: "It is an excellent decision. The commission has taken all the major points we made."

At Pilkington Brothers a spokesman said: "We need to study the report in detail and will decide at a later stage whether to comment on it."

The decision against the merger was a blow to the dissembler being Mr. George Ashford, a past director of BP and a director of Albright and Wilson.

June date for credit licence applications

The start of the second stage of consumer credit licensing was announced by the Office of Fair Trading yesterday. Businesses engaged in lending money, offering credit or giving time to pay, or which hire, lease or rent out goods are invited to apply for licences before June 30.

The OFT says it would like businesses requiring a licence to apply early so that queries may be sorted out or mistakes corrected well in advance of the closing date.

PLA may start drive for younger dockworkers

By Tim Jones
Labour Reporter

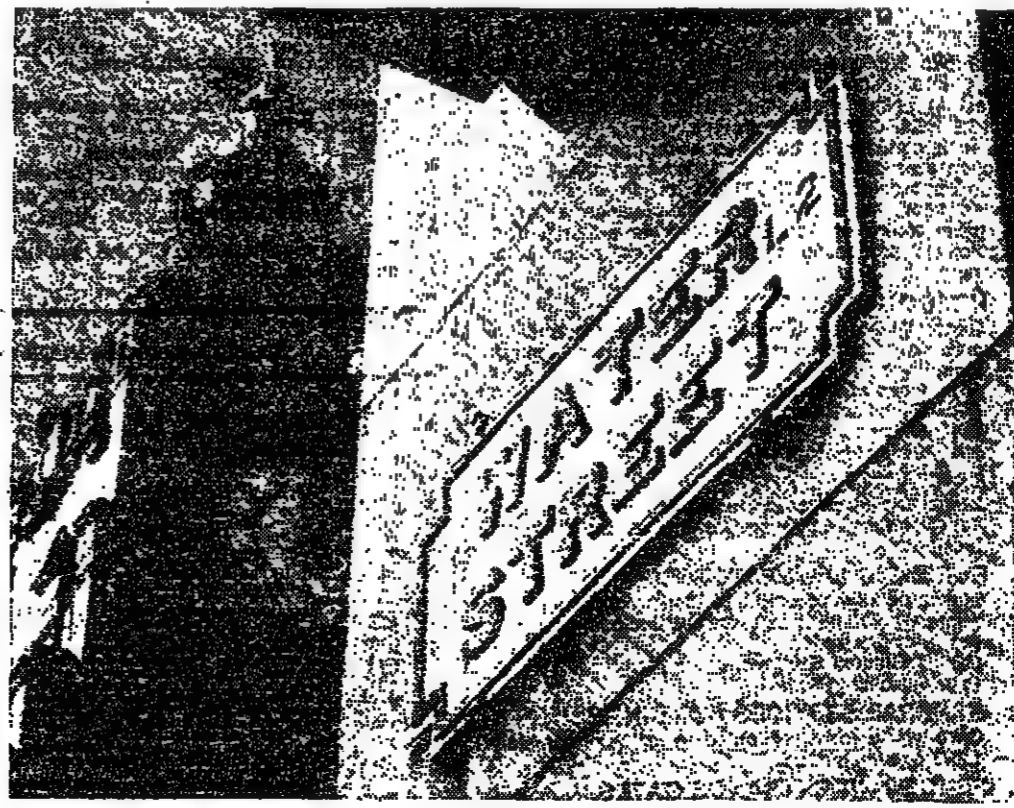
The Port of London Authority, which has cooperated in increasing severance payments to £7,000 in order to make its operation more competitive, is considering a recruiting drive for fully fit men.

This irony arises from the serious imbalances in the nature of the labour force caused by a high proportion of men who are not fully fit and by an average age for London dockers of 47.

Although the question of recruiting some younger men to undertake the strenuous work will have to be considered soon, the employers will still be seeking to run down the A-restricted and B men by the incentive of higher severance pay.

Letters explaining the terms of the new severance offer were sent out by the London Dock Labour Board to some 2,500 men eligible at the weekend.

At present, the Board has authority to release only 570



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De La Rue sells its Formica stake to American Cyanamid for £9.6m

By Our Financial Staff

De La Rue, the security printing and graphics group, is selling its 60 per cent stake in Formica International to the American Cyanamid Company, which holds the remaining 40 per cent. The deal, which was announced yesterday, is a move which the market had half-expected.

The consideration for the sale is £9.6m, some £446,000 under net worth, of which £2m is payable "on completion" and £7.6m on April 1 in each year from 1978 to 1981 and £3m at the same date in the following year. All deferred instalments of the purchase price will be represented by negotiable unsecured ACC debentures which De La Rue intends to hold to maturity.

The deal is subject to the approval of the Bank of England for exchange control clearance, and a clean bill of health at the Office of Fair Trading.

Formica has long been the most volatile part of De La Rue's operations and, while it contributed comfortably more than 50 per cent of total pre-tax profits two years ago, its post-tax and minority loss of £219,000 applicable to the 60 per cent stake contrasts with a total group attributable profit of £6.4m in the nine months to end-December last.

The vendor, headed by Sir Arthur "Gerry" Norman, decided to sell last January and its thinking was prompted by the rapid growth of the security business and the considerable investment required over a prolonged period into new fields of activity.

Equally, the group took the plunge in the knowledge that Formica faced the continuing difficulties of high costs, and stiff competition. The financing of its activities around the world from a United Kingdom base necessitated either heavy overseas borrowing or dollar premium costs.

Stripping out Formica, the balance sheet total falls from £127.5m to £43.5m, taking in the cash consideration in full, while gearing drops from around 29 per cent to 23 per cent.

Despite losing some initial enthusiasm in after hours trading the shares climbed 1 1/2p on balance yesterday to 37 1/2p.

Peachey chief rules out SE suspension

By Ray Maughan

Reacting sharply to the savage bear raid which forced shares in Peachey Property Corporation down by 9p yesterday to 29p, Sir Eric Miller, the chairman, denied that there was any question of asking for suspension. At one time during the day the shares were only 23p.

Sir Eric also quashed a series of rumours, commenting: "How they have come about, I do not know."

One rumour suggested that

I was supposed to have been arrested in Holland," he said. "I have not even been out of this country for three months. I would like to know who started these stories."

The price is believed to have been dented by the sale of the substantial line of stock last week.

Sir Eric, who was knighted in Sir Harold Wilson's last honours list, said: "I have spoken to the Stock Exchange who asked me if I had sold. I have not sold and I do not know of any director who has."

He was concerned about the whispers surrounding the company, but not about its financial position since it is in profit.

The market is periodically disturbed by the time lag between Peachey's year-end and the announcement of its results. Next Wednesday Sir Eric will be reporting for the year ended June 24, 1976, which he admitted is late, but the collection of overseas figures always takes a long time.

Low the markets moved

alls			
of NSW	20p to 425p	Ocean Wilsons	7p to 178p
rowm	24p to 816p	Peterson Zoch	10p to 205p
KN	7p to 360p	Peachey Prop	9p to 28p
KN	5p to 220p	Prudential	8p to 128p
KN	5p to 336p	Shell	16p to 488p
KN & Elijot	3p to 47p	Sun Alliance	7p to 448p
denon	20p to 280p	Surrey Valley	10p to 150p
ester	2p to 25p	UKO Int	10p to 144p
ccasia Trans	16p to 135p	Wair Group	9p to 84p
cont Loyal	5p to 42p		
ises			
de La Rue	11p to 373p	Pack Farms	10p to 167p
ynwell	6p to 111p	Press. W.	5p to 61p
archwell	7p to 164p	Standard Trust	18p to 148p
aven Owen	5p to 77p	US Invest	5p to 190p
curities succumbed to profit			
king.			
nited-ed securities lost early			
olus.			
nular Premium 111.25 per cent			
ffective rate 38.97 per cent)			
nancing was unchanged at \$1.7180.			
The effective rate was 61.8 per cent			
Gold fell \$1 an ounce to \$152.625.			
SDR-£ was 1.15877 on Thursday,			
while SDR-£ was 0.674331.			
Commodities: Coffee and cocoa			
prices fell. Reuters' index was at			
1744.4 (previous 1748.1).			
Reports, pages 21 and 23			

The Times Index: 172.86-1.80
The FT Index: 421.4-6.0

THE POUND

Bank	buys	Bank	buys
Australia S	1.61	1.56	1.56
Austria S	30.25	29.25	29.25
Belgium Fr	65.00	62.30	62.30
Canada S	1.85	1.80	1.80
Denmark Kr	10.36	9.95	9.95
Finland Bmk	6.75	6.50	6.50
France Fr	6.47	6.25	6.25
Germany Dm	4.27	4.85	4.85
Greece Dr	64.75	61.75	61.75
Hong Kong S	8.20	7.75	7.75
Italy Lira	155.30	150.80	150.80
Japan Yn	590.00	475.00	475.00
Netherlands Gld	4.45	4.23	4.23
Norway Kr	9.28	8.92	8.92
Portugal Esc	68.00	64.00	64.00
S Africa Rd	121.87	117.75	117.75
Spain Ptas	113.25	113.25	113.25
Sweden Kr	7.50	7.15	7.15
Switzerland Fr	4.54	4.22	4.22
US \$	1.76	1.71	1.71
Yugoslavia Dn	34.25	32.00	32.00

Notes for small denomination bank notes only as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

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Ministerial meeting will end key final session on May 30-June 1

Rescue hope for North-South talks

By Melvin Westlake

After much delay it has now been decided to begin the key final session of the North-South Dialogue in Paris on April 26. It will end with a ministerial meeting on May 30 and June 1. Although these dates have not yet been publicly announced, officials now confirm them.

They have been decided by the two co-chairmen of the meeting, formally known as the Conference on International Economic Cooperation—Señor Manuel Peres-Guerrero of Venezuela and Mr. Allan MacEachern of Canada.

The conference, which was launched in December 1975, was deadlocked for much of last year. The ministerial meeting set for last December was postponed, partly in the hope that the new Administration of President Jimmy Carter would be more conciliatory than his predecessor, thereby helping to achieve some kind of compromise among representatives of the poor southern nations and the eight

representatives of their rich northern neighbours.

The conference is being conducted through four commissions, dealing with energy, raw materials, finance and development aid. Each commission has two co-chairmen—one each from the rich and poor nations.

It has now been agreed that the 10 chairmen (including the two chairmen for the overall conference) will meet when the dialogue reconvenes on April 26. This will be followed by a series of meetings by the "contact" groups and, perhaps, a further meeting of senior officials in the week before the ministers gather in Paris.

The main point of contention at the conference during the last year has been the developing countries' demand for a moratorium on the huge debt repayments that many of the poor nations now face. The rich states, particularly West Germany and the United States have been totally opposed to any generalized moratorium on debt payments, which they say would not be in the interest of the developing countries themselves because it would undermine their creditworthiness in the international money markets.

So far, the industrialized nations have only agreed to establish clear and codified rules for dealing with nations who cannot afford to pay their debts. However, some of the rich nations, like the Dutch, and to some extent Britain, are prepared to go beyond this position.

Most of the industrialized nations are keen that some kind of compromise should be reached for fear that a total breakdown of the coming final session could sour relations between the rich and poor.

Some of the rich nations now say that the debt problem should be seen in the wider context of the Third World's balance of payments problems, which might be dealt with by higher flows of financial resources from developed to developing states.

Electricians join pay study group at Leyland

By Christopher Thomas

Labour Reporters
Senior shop stewards of the electricians' union at Leyland Cars voted in London yesterday to join the company's working group studying the problem of pay differentials. However, they added an important rider not to be bound by any decision that eroded differentials for skilled workers.

The stewards decided by 24 votes to one to take up the union's single seat on the working group, but made clear that they reserved the right to reject any findings that further impinged on the pay differentials of its members.

The electricians feel they should be rewarded because they face increasing demands on their skills, while other workers are to some extent being deskilled through the introduction of new machinery.

They say they are entitled to differential advantages over some other skilled workers, including perhaps the toolmakers, because the continuing use of sophisticated machinery increasingly requires their expertise.

The Electrical, Electronic, Telecommunications and Plumbing Union (EETPU) is strongly against any attempt to reach similar wage rates for both semi-skilled workers and craftsmen, a move already suggested by some less skilled unions.

In the event of reaching a deal on unified pay rates for its members through our Leyland Cars—which by implication suggests unitary pay throughout the Leyland operation and, indeed, through all members of the union, with appropriate differential levels.

The EETPU has to some extent lost faith, as have other unions, in the merit of plant bargaining, since local managers have lost their autonomy over setting pay rates for semi-skilled and national wage deals. The system has also created substantial pay anomalies.

Leyland Cars' shop stewards yesterday appointed Mr. Bill Fitzpatrick, the convenor of electrical stewards in the Longbridge plant, to the working group on differentials.

Referring to union participation arrangements in Leyland, he said: "It is a charade in its present form. The senior shop stewards and senior managers are meeting to discuss professional travellers."

Mr. Roy Sanderson, national officer of the EETPU, said after the stewards' meeting: "If the working group reached conclusions unacceptable to us—such as abolishing proper differentials for skilled workers—we are making it clear that we would feel free to go our own way."

LETTERS TO THE EDITOR

Charges for carrying poultry by rail

From Mr David C. Bland

Sir, Last spring the British Rail Board threatened to end the conveyance of livestock, and because of pressure from the various organizations and people like ourselves the proposed scheme was left on the table with the promise that the board would at some future date meet representatives from the various livestock organizations to agree on an acceptable container that senders of livestock would be bound to use.

Since that date we have not been able to discover whether the board has taken any action in this matter.

We, like others, received a

printed letter from British Rail stating, in part, that the board have been obliged to notify the Price Commission that parcel charges will have to be increased with effect from March 27, 1977. As we understood it, one has to apply for permission from the Price Commission, not, as in this case, instruct them.

Further to this, we would like to know what arguments they propose to put forward to substantiate the increase and the reasons for the variance in such increases. We refer to small livestock being increased by 50 per cent as against general parcels of only 15 per cent.

For transporting poultry, we

already pay 81 per cent more than we would be asked for general parcels. Moreover, poultry has to be picked up at the railway station: it is not delivered to the customer's door, as is a general parcel.

One can only see these proposed new charges as a devious way of stopping livestock by rail, thereby ignoring the Conveyance of Live Poultry Order 1919, which is still in force.

Yours sincerely,
DAVID C. BLAND,
Southern Poultry Rearing,
"Hawthorns",
8 Fishbourne Road,
Chichester PO19 3HU,
March 16.

Building jobs boost of £13.5m

By Ronald Emiler

The Construction Industry Training Board yesterday announced measures to maintain recruitment and training while the building industry goes through one of its deepest recessions since the war.

It will provide £13.5m to encourage employers to take on apprentices, which will be paid in grants of up to £1,700 per trainee taken on during the 1977-78 training year.

This is more than half of the total £24m the CITB will be giving in grants in the year. The board will also offer grants of up to £750 per capita to employers taking on certain redundant apprentices and £300 for every unemployed trainee they take on who has completed six months CITB training course.

Mr Leslie Kemp, chairman of the Board, said that these measures were being taken to maintain a flow of trained people to supply the industry when the recession comes to an end.

After yesterday's board meeting, the CITB confirmed its pledge of December not to raise the training levy payable by firms this year.

Mr Kemp said: "We approached the Government over the general position in the industry a few months ago, and as this year progresses we intend to see that the Government is kept very much aware of the alarming position which it now threatens the country over its apprentices."

Latest figures show that recruitment in the building sector of the industry fell to 11,336 apprentices in 1975 to 11,336 last year.

Investments increase in cars, coal and oil

By David Blake

Economics Correspondent

New figures published by the Department of Industry show that in the last quarter of 1976 there was a large increase in investment in the car, coal and oil industries, but a fall in most other sectors.

The revised estimate of capital expenditure published yesterday shows that investment in the vehicles industry was 11 per cent compared to the third quarter, with a 19 per cent increase being recorded by coal and petroleum, which is increasingly affected by North Sea oil.

The expansion in these sectors, coupled with a 13 per cent growth in investment in the "other manufacturing" sector, more than counterbalanced bad performance by a whole range of industries, which included a 13 per cent fall for metal manufacturing. Spending on plant and machinery was up by 2 per cent and spending on new building fell 1 per cent.

During 1976 as a whole, total investment was £1,630m at 1970 prices, down 5 per cent from the 1975 level. The worst performance was in the textile, leather and clothing industries (down 27 per cent), and in paper printing and publishing industries, where investment fell 20 per cent.

There was a large drop of 15 per cent in spending on new building work for manufacturing industry. Investment in plant and machinery fell 4 per cent, while spending on vehicles was up by 15 per cent.

In the distributive trades, capital spending fell about 4 per cent in 1976. The heaviest fall was again in construction work.

Separate figures issued yesterday showed that the increase in stocks of manufacturing industry in the fourth quarter of 1976 was £80m, twice the provisional estimate issued earlier.

There was a sharp increase in stocks of finished goods and work in progress, coupled with a rundown of stocks of raw materials.

Wholesalers' stocks are estimated to have risen by some £20m over the whole of 1976. There was a substantial rundown of stocks held by dealers in coal and industrial materials and builders' merchants during the fourth quarter. Retailer stocks rose by £20m in the last three months of the year, resulting in virtually no change over the year as a whole.

CAPITAL SPENDING

The following are the figures published today by the Department of Industry for the fixed capital expenditure of manufacturing, distributing service and shipping industries and for the stocks all seasonally adjusted at 1970 prices:

	Investment	Stocks
1972	4,293	1,739
1973	4,731	1,872
1974	4,890	2,024
1975	4,040	1,737
1976 Q1	1,171	510
Q2	1,181	502
Q3	1,177	501
Q4	1,180	511
1975 Q1	1,063	471
Q2	1,034	463
Q3	1,002	416
Q4	941	406
1976 Q1	923	402
Q2	810	408
Q3	883	418
Q4	940	422

Japan-EEC talks on steel sales

Tokyo, March 24.—Japan

and the European Economic Community will hold government level talks in Tokyo next Monday and Tuesday to discuss issues related to Japanese steel exports to the EEC, the Japanese Foreign Ministry announced today.

The EEC delegation will be led by Mr. Benedict Maynell, director general of the Community's foreign relations department.

Discussions would also be held on the speciality steel industrial situation in Britain.

In a Brussels consultation meeting last November, Japan agreed to hold down its 1977 steel shipments to the EEC to 1.4 million tonnes, down about 15 per cent from 1976.

The agreement followed EEC concern over increases in Japanese steel exports to Europe, which the Community said was damaging the steel industries of member nations.

AP—Dow Jones.

Safety rules for North Sea rigs

Safety measures designed to protect offshore oil workers were announced by Mr. Wedgwood Benn, the Secretary of State for Energy, yesterday.

From June 1, all offshore installations will have to have life-saving appliances including survival craft, life buoys and life jackets, alarms, plans showing where these appliances are located and public address systems.

Workers will be banned from any offshore structures that are not properly equipped by June 1 next year.

CONTRACTS AND TENDERS

PUBLIC WORKS DEPARTMENT

ABU DHABI

UNITED ARAB EMIRATES

ABU DHABI

POLICE

HEADQUARTERS PROJECT

HEADQUARTERS BUILDING

HEADQUARTERS BUILDING

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CONTRACTS AND TENDERS

Democratic and Popular Algerian Republic

Ministry of Industry and Energy

Sonelgaz

International Notification

of Preselection

Sonelgaz is setting up a seawater-cooled thermal power station on virgin land in the Jijel region of Eastern Algeria, consisting of four units each of approx. 180 MW.

The necessary infrastructure is divided into two parts:

1. Foundations

2. Construction of the Power Station consisting of a power station with sea-water cooling circuits and related structures: workshops, offices and social facilities.

The work approximately comprises the following:

EXCAVATION 80,000 CUBIC METRES

CONCRETE 80,000 CUBIC METRES

FORMWORK 100,000 SQUARE METRES

CONCRETE-REINFORCING STEEL 5,000 TONNES

Interested companies should apply with references by not later than 15 April, 1977 to:

Sonelgaz

Direction de l'Engineering

Service Engineering des Moyens de Production

2 BD Salah Bouakour, Algiers, Algeria.

Tender specifications will be available towards the end of June, 1977.

MISCELLANEOUS FINANCIAL

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LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE

Chancery Division

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Prudential sets the standard

The first stable investment trust to what the appetite of pension funds, the eventual Standard Trust have me to be viewed as the assuring rod with which to gauge the attractiveness of the stock of the trust sector.

And on those grounds, Prudential's insurance company has shown that there is very real chance for other prospective bidders getting hold of quality investment trusts at the cheap.

In one sense, of course, the Standard is a going concern means that it will avoid a capital gains tax and dollar emium surrender complications that the British Rail Pension Funds threw out in justifying their terms.

And, in fact, stripping these out the Prudential's terms worth 7p a Standard share with its shares down 8p to 128p yesterday are some 7p above the net asset value; but even without the terms are only some 10 per cent under consolidated assets.

Sime Darby

Begging questions

Investment figures from Sime Darby Holdings were a disappointment and brought some confusion as well. Some writers had been expected, but the below-the-line adjustments in the accounts showed a credit.

Sime's recent career of recent years, culminating in the boardroom split last year and the ultimate departure of Mr Jim Swater, the then chairman, from the board, has not helped the group's image, even if it is one of the foremost Far East rubber planters.

Since Sime Darby is, to all intents and purposes, now a local Malaysian stock, the London Market tends to follow rather than lead the Far East in assessing the value given to the share.

Consolidated Plantations—in which there is considerable United Kingdom interest on a change of domicile—increased net profits by 29 per cent (57 per cent in sterling), with the rise in the rubber, cocoa and palm kernel prices, and the outlook for the year is of a higher profit margin.

Even with the prospect of a strong year, renewed Far Eastern interest will be the key



Mr. Edgar Bowring, chairman of C. T. Bowring; property writer.

factor for the share price, which drifted off 3p to 102p yesterday.

Interim: 1976-77 (1975-76)

Capitalization £196m — Sales £143m (£127m)

Pre-tax profits £12.2m (£13.3m)

Dividend gross 1.1p* (0.85p)

* Subject to Malaysian tax

C. T. Bowring

Broking gains

Following on from the sharp recovery in 1975, C. T. Bowring has produced an impressive set of 1976 figures, pushing up group profits by just over 50 per cent if exchange gains of some £3m are stripped out. Not surprisingly, given the sector's strong position in insurance, insurance broking was the best performer with profits before central charges up by 65 per cent to £17.1m.

But Bowring, only two years ago a member of the Bank of England's lifeboat scheme, has continued to move strongly ahead on the back of a conservatively managed and expanding book. Profits there were around 50 per cent higher at nearly £7m.

Indeed, the only disappointment is property, where there was another loss of £900,000. On the property side, too, Bowring has written down £2.57m on certain properties (though mainly this relates to its own, now abandoned, plans for a development on the South Bank). These, and a full provision against Rhodesian book assets, have meant total provisions of £3.2m.

So far as the current year is concerned Bowring has started well, though growth is not going to be quite so dramatic. Certainly, with sterling stronger, the insurance broking side may miss some of the froth seen recently, but there is scope for something better from Bowring while operations like Singer & Friedlander trading and shipping can obviously expect to benefit if general economic activity picks up. A share, then, that at 87p could go

further were it not for a below average yield of 4.6 per cent of a dividend now covered 44 times.

Final: 1976 (1975)
Capitalization £91.5m — Turnover £945m (£683m)
Pre-tax profits £25.8m (£15.4m)
Earnings per share 11.7p (6.5p)
Dividend gross 4.05p (3.53p)

Exchequer stock

Watch the stages

The new Exchequer stock was duly snapped up yesterday and, despite the late afternoon delivery to the gilt market by the Bank's move to force the discount market to borrow a "large" amount at MLR for seven days, a premium of around half a point seems to be the common expectation for today's opening.

How the stock trades after that will, of course, depend on how many "stages" decide that the premium is not, in fact, great enough to risk running the stock through to the Budget speech. But if they do make for the exit before the weekend, the basis of allotment does suggest that there may well be some larger funds which will want to top up their initial allocations.

In fact, it seems just possible that yesterday's slight jolt to the market may serve the very desirable purpose of shaking out most of the speculative money at a fairly early stage.

Monopolies

UKO alone

The jubilation at UKO International today now the Monopolies Commission has secured its independence from Pilkington, should far outweigh the disappointment in the other camp. Pilkington has lost a prize which would have ended the continuing worry of the presence of a monopoly buyer from one of its subsidiaries.

But the scale of the problem is fairly small, although UKO takes between 30 and 50 per cent of the output of its glass lens blank company, Chance Pilkington, the total sales from Chance Pilkington are less than 3 per cent of the group.

UKO International, meanwhile, is on a rising profit trend and at the halfway stage was well in line for its forecast of £4.1m for the year. The serious worry over its future must be that Pilkington, after all, was right, and that technical development would have been faster within a merged group. The existence of a dissenting note in the Monopolies Commission report from an experienced industrialist to that effect is disquieting.

But UKO's answer is its technical know-how agreement with the American group, Bosch and Lomb, who own 11 per cent of its shares, but Pilkington has huge financial muscle compared to UKO and proved in evidence to the commission that it had identified optimum lenses as an area in which it would like to expand.

But for the present UKO looks, on Pilkington's own analysis, an efficient growth company. It can move into plastic lenses and prove sufficient and it need have few worries on its main source of supply (at Pilkington) for the time being, particularly as one of its arguments to the commission was that it could obtain some supplies cheaper elsewhere.

If the original offer had been reinstated today it would be worth 205p per share. It was therefore, illogical to knock 10p off UKO's price to 150p yesterday when the yield is a generous 8.2 per cent.

Concern about oil prices conceals the real crisis of energy supplies

In late 1973, Opec shocked the world by decreasing a sudden and considerable increase in the price of crude oil. In late 1976, at a meeting held in Doha, Opec members shocked one another by failing to agree on the level of a price increase. The price of oil always seems to be at the forefront of the stage, stealing all the limelight.

I shall contend that the oil crisis—or the oil revolution—is essentially an issue of energy supplies. The 1973 price increase was the manifestation of a fundamental supply problem. To interpret it, as must consumers do, as artificial price rigging by a powerful cartel misses the point. To rejoice at the split between militants and moderates within Opec may be short-sighted.

One may ask: why an oil supply problem when there is so much petroleum in the world? The answer is that oil is a natural resource and that the supply problem has more to do with producers' perceptions about future scarcities than with reserves.

What happened in 1973 is revealing in this respect. There were supply difficulties of an ordinary kind: a buoyant demand exerting short-term pressures on existing productive capacity. These pressures were sufficient by themselves to bring about a significant price increase. The interesting phenomenon, however, was of a different order: the reserve-to-output ratio constant in 1968, a

industry changed radically its outlook on future supplies. Throughout the 1950s, the 1960s and even in the first years of the 1970s, most observers believed that the oil industry was characterized by a chronic surplus. The "supply overhang" was seen as a permanent feature to prices and profitability. Opec was established in 1960 in order to check a downward slide in the oil prices.

The notion that oil is in plentiful supply goes back to the huge discoveries made in Saudi Arabia and Kuwait just before and soon after the Second World War. These discoveries induced a long era of growth in petroleum production. Smaller, and yet important finds were made throughout the 1960s in Libya, Abu Dhabi, and Nigeria. Additions to oil reserves hit the headlines as they were made through spectacular discoveries at discrete intervals.

By contrast, the fact that production depletes reserves continually may go unnoticed for a while. Yet, between 1948 and 1973, world oil output was growing at a high and steady rate almost without interruption. The implications of growing production over the future balance between supply and demand were not immediately perceived.

In 1968, world demand for oil increased by three million barrels a day (mbd), compared with the discovery of Libya, which had just added to productive capacity a maximum of 3 mbd. To replace the reserve adjustments between 1972 and 1973 the oil

in addition to reserves equivalent to the discovery of a new Libya a year would have been needed. In 1973, world demand for oil increased by 4.2 mbd. Had that trend continued, demand would have increased by 5.6 mbd in 1977: almost the equivalent of two new Libyas a year.

By 1977, some observers began to think that the implied rate of discovery was unsustainable. Nothing on the required scale was in sight. This realization, precisely, is the oil crisis. It is a new perception about the future oil will be scarcer in 10 or 15 years than we thought hitherto. And this perception necessarily rebounds on prices and perhaps on the willingness to supply.

The price increase signalled on the world that something was going wrong in the relationship between the growth of demand for oil and the expected rate of discoveries. Was the signal understood? Some thought that it would provide immediately the remedy through the operations of the market mechanism: higher prices would discourage demand and increase supply. Some chose to interpret the price increase as a wrongful use of power by Opec. And Opec itself has done its best to focus attention on prices as a symbol of power.

The trouble is that the energy crisis is a structural problem. In part, this means that supply and demand do not respond fast enough to price adjustments. The high price of oil is not

bringing on stream large supplies from new sources of energy. A structural problem calls for a solution which bypasses the market for a while. The lead-in times involved in increasing the long-term supply of energy have to be bridged in one way or another. To advocate this type of solution does not negate the role of the market but provides the necessary breathing space for difficult and slow adjustments in demand and supply.

Alas, we are all far too obsessed with prices to think about structural bridges. The industrialized countries behave as if they believe that pressures on Opec to moderate price increases will solve "the energy crisis". In that respect they may think of Doha as a partial success. Let us examine, however, what Doha was all about.

Saudi Arabia responded to the demands of its special relationship with the United States and took a stand at the Opec meeting which produced this absurd two-tier price system. Saudi Arabia motives are not to be sought in its rivalry with Iran. The stakes for Saudi Arabia are the Arab-Israeli conflict and the valuable American alliance. But the course of action taken under tremendous United States pressure endangers stability in a sense.

I think that Opec will soon realize the consequences of its actions, for the sake of argument, that there is no accord, that the two-tier price system sticks for a while. The consequences are clear: Saudi Arabia would soon find itself selling 12 mbd of oil and piling up some US\$30,000m of surplus funds a year, while Iran would be selling less than 4 mbd and running a deficit of US\$5,000m to US\$6,000m. I do not want to spell out the explosive implications of such a scenario.

One begins to wonder: in what sense was Doha a Western success? Opec may have lost some of its autonomy in determining prices because it is exposed to powerful political pressures. But since 1973 the industrialized world has been losing precious time in the search for a solution that would help economic recovery.

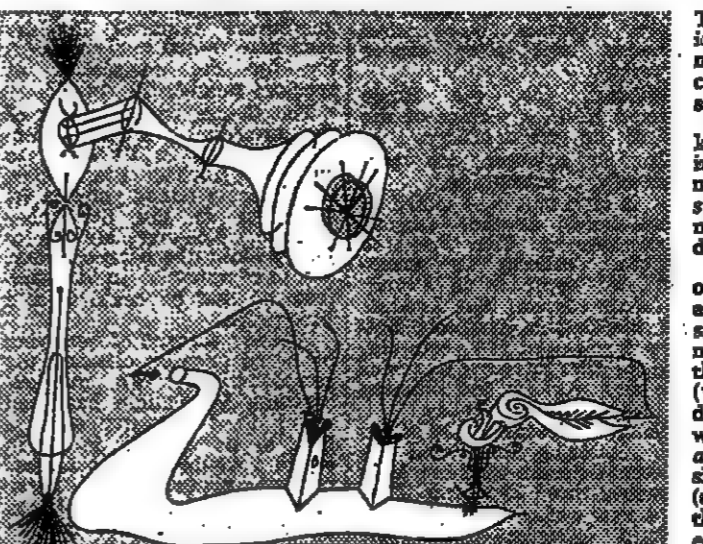
The solution, I am afraid, involves some form of cooperation with Opec. Perhaps a world energy plan that would enable Opec to supply more oil today against some stake in future sources of energy. The task is difficult, the political will is lacking, and the chances of success of such an approach are less than bright. The cost of failure, however, is very high. It is difficult to visualize sustained economic recovery in the world in the next 10 years unless something is done on the energy front.

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The author is a Fellow of St Antony's College, Oxford.

Robert Mabro

Kenneth Owen, Technology Correspondent, on beating a path to invention

Winning tips for would-be inventors



Apparatus for the magnetic treatment of plants from a watercolour by Paul Klee. The original is in the possession of the German Museum, Harvard University.

Professor Laithwaite, for it stretches the mind at least as much as finding the solution to many problems.

For example, must windows be made of glass? Transparent plastic screens too easily: pure quartz is far too expensive. Yet one can imagine a substance like glass which has the strength of steel.

History shows that the "obvious" answers to questions can change with time. Must shoes be made of wood? Must tyres be made of rubber? Must high-power electrical transmission lines be made of copper? In all cases, the answer was yes (then) and no (now).

Inventive capacity has been inhibited if not positively retarded, Professor Laithwaite argues, by the traditional stereotyped teaching of science in schools. Why not be honest and teach such fundamental concepts as symmetry and analogy?

Engineering can learn much from nature study, Professor Laithwaite points out, from ball-and-socket joints (animal bone structures) to the underslung vehicle chassis (insects). We are armed with our high-tensile steel, he comments, but it is inferior in strength/weight ratio to the silk of a spider's web.

We believe we are good at the accurate measurement of physical quantities "yet when we make a dark room and need proof of its total darkness we resort to the use of a vegetable to detect the odd photon that gets through". (This "vegetable" is a sporophore which turns its "flower" towards the light "leak" in a matter of hours.)

The gloe with which which barnacles bind themselves to surfaces, the glow-worm's light which is not associated with any temperature rise, the ability of bedbugs and snakes to detect temperature off

ferences of 0.001°C, all are examples of phenomena which scientists do not understand.

Serious students of technology will gain much from the final section of the *Thinking* book, in which they describe the development of some of their own inventions.

Above all, the experience of these two innovative illustrates the unpredictability of invention, its excitement, the frequent diversion from the original aim, and the importance of personal determination to the process of invention.

How to Invent by M. W. Thring and E. R. Laithwaite, Macmillan Press (£7.95 hardback, £3.95 paperback).

GRINDLAYS HOLDINGS LIMITED
Grindlays Holdings is the quoted company through which the public can participate in the activities of Grindlays Bank Group, through its holding of 51% of the bank's shares.

Grindlays Bank Group

1976. A very satisfactory year...good prospects for 1977.

Results in brief	1976
PROFIT BEFORE TAX	£ million
Tax payable	304
Profit after tax	149
Minority interests	155
	25
Extraordinary profits	130
NET PROFIT FOR THE YEAR	140

Points from the statement by the Chairman, Mr. N. J. Robson, to the shareholders of Grindlays Bank Limited.

"The Group profit, after making appropriate provisions for doubtful debts and after tax, must be considered as very satisfactory."

The Group in 1976
"Looking over the first, it was another successful year with profits before tax up by over 50 per cent. The overseas business has gone from strength to strength. The Middle East and Far East, are with India the three most important for the group apart from business in London."

In London, 1976, was a year of consolidation. Grindlays Bank has been particularly active in the management of Euro-currency syndicate business, the bulk of the lending being undertaken by Grindlays Bank. This produced a marked increase in group profit and the extent of the international business done by the group in London should be emphasized.

The treasury covers the money market and foreign exchange activities of both Grindlays Bank and Grindlays Finance and made an important contribution to group profit.

The corporate banking organisation of Grindlays Bank, has contributed in a satisfactory way to group effort and the group results.

Grindlays Bank shipping department had another profitable year. Some important new business was undertaken. The export finance department had a successful year.

Outlook for 1977. It is possible to speak with confidence about prospects for this group in 1977. The results should be better than 1976. The business of the group is well spread, both geographically and through the variety of services offered.

"An international Bank such as Grindlays is able to provide a special experience of worldwide financial affairs"

Areas of operation

Australia	England	Iran	Nigeria	Switzerland
Bahamas	France	Japan	Oman	Uganda
Bahrain	Ghana	Jersey	Pakistan	United Arab Emirates
Bangladesh	Greece	Jordan	Qatar	USA
Canada	Hong Kong	Kenya	Scotland	West Germany
Ceylon	India	Malaysia	Singapore	Zaire
Egypt	Indonesia	Monaco	Sri Lanka	Zambia

RO: Box 280, 23 Fenchurch Street, London EC3P 3ED. Telephone: 01-626 0545

Copies of the Report and Accounts for Grindlays Holdings and Grindlays Bank with the Chairman's Statement may be obtained from: The Secretary, Grindlays Bank Limited, at the above address.

Business Diary: Commission and omission • Just William

The threat of the new United States Secretary of the Treasury, Michael Blumenthal, to ring in a code of ethics on business bribes seems wonderfully timely to have concentrated the minds of the executive board of the Paris-based International Chamber of Commerce.

Yesterday the ICC rushed out its overdue draft report and on to corrupt payments prepared by its "Commission of Intimate Persons".

The commission was established a year ago in the wake of the Lockheed scandal. Its chairman is Lord Shawcross, chairman of the City Panel on Takeovers and Mergers and an ICC director. He had hoped to publish a draft report by the end of this year.

That this proved impossible was unfortunate for the ICC and for the principle of self-regulation for which Lord Shawcross has come to stand. The American presidential election intervened, sending in Jimmy Carter an apostle of business probity to the White House.

Blumenthal, Carter's appointee, threatened a government-inspired code last week because the business community has failed to come up with its own code of ethics against bribes.



Lord Shawcross.

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Blumenthal, Carter's appointee, threatened a government-inspired code last week because the business community has failed to come up with its own code of ethics against bribes.

The ICC executive are now somewhat belatedly weaving their draft report and code in the hope of persuading the new Treasury Secretary to find another target for his reformist zeal. Their decision was taken after Lord Shawcross addressed them on Wednesday. His commission recommends stricter disclosure requirements, stronger enforcement of

existing laws, more international cooperation and agreements between competing enterprises.

Oh, brother

The brothers Nordhaus are causing chaos in the already confused world of Washington politics and to the arena of international economics beyond.

Robert Nordhaus works at the White House as a member of President Carter's special energy team, while brother William has until recently been a distinguished Professor of Economics at Yale University. William was recently chosen to become a member of the President's Council of Economic Advisers and he swiftly packed his bags, moved to Washington and installed himself in a plush government office.

William Nordhaus is to have special responsibilities on the Council for International Economic Affairs and his extremely senior position depends upon confirmation by the United States Senate—and this is where the problems started. The White House personnel office got the brothers confused and thus Robert, rather than William, was entered for confirmation for the top economic position.

It was only just before Senate confirmation hearings were to start that the mix-up was discovered. A lot of forms had to be swiftly completed, but all finally went well and William is now confirmed.

At least he can console him-

self that his papers were not simply lost, as has been the case for a number of other top officials, who still have to be confirmed in their jobs because the White House personnel office seems overwhelmed by the vast number of new government appointments it has to process.

Chuck de Bedts, vice-president commercial marketing of the Lockheed-California Company tells how an American colleague ran into him at the Lockheed headquarters in Burbank to be told: "I'm sorry, but Mr de Bedts has gone to the United Kingdom." "My God," said the voice at the other end of the line. "And I didn't even know he'd been ill."

Up and up

The report made a congenial first task for Maurice Ashill, who took over as MCA executive director in October, when Robin McFarrell-Groves moved to the Scientific Instrument Makers' Association.

Straws in the wind? Michael Hicks-Beach, chairman of the Management Consultants' Association, presented the most cheerful annual report for years in London yesterday.

Members' companies' earnings were up 14.5 per cent in 1976 to £31.3m, reflecting an increase of 24 per cent to £11.3m, and a rise of 8.5 per cent to £20m at home.

is even brighter than these figures show, for after three or four years of slump a "quite remarkable" number of inquiries and new business started coming in at the end of 1976.

MCA members' earnings are a "fair" indicator of business confidence, which usually take about six months to work through, he adds.

Hicks-Beach is chairman of P-E Consultants. His vice-chairman is Cyril Brown, managing partner of the Ramsey Morish. He reckons that profitability is now no longer a "serious problem" for MCA members, about two-thirds of British consultants.

At home, clients have been keenest for advice on control of cash resources. Abroad it's been either finance and administration or economics and environmental studies.

To Hicks-Beach's surprise and chagrin there has been a decline in home demand for advice on pricing, sales and distribution—could it be that MCA members' self-marketing was at fault?

EEC seeking more deals for solar energy research in Britain

By Kenneth Owen
Technology Correspondent

Fourteen companies, universities and other research centres in the United Kingdom have been awarded or are negotiating solar energy research contracts with the European Commission, and the Commission has now invited bids for further work in this area. Companies already involved include Plessey, Ferranti and International Research & Development.

Details of solar energy research projects were given yesterday by Mr Alan Wise of the Department of the Environment, who is chairman of the Government's interdepartmental steering committee on solar energy research and development.

Speaking at a conference at the Building Research Establishment, Garston, Watford, Mr Wise disclosed that the European Commission's spending on solar R & D is now running at

an average of more than £2m a year. This includes £1.7m on joint projects with individual organizations which themselves are matching this level of spending.

The United Kingdom Mr Wise revealed, government departments are now spending just under £1.5m a year on solar energy R & D. About £500,000 of this is coming from the Department of Energy, mainly for domestic water and space heating systems; and £230,000 from the Department of Industry, mainly for photovoltaic solar cells.

The European Commission has now invited proposals for further research projects for its solar energy programme, which is expected to cost about £7.5m over four years. For the next stage of this programme the Commission is seeking heat storage projects for domestic solar systems.

In choosing projects, the Commission says, the criteria

will include the technical competence of the proposer, the size of his financial contribution to the total cost, the value to the community of the proposed research, the degree of innovation, the expected economic advantages and the technical feasibility.

A proposal for a combined solar/gas turbine power plant which would continuously develop one megawatt of electricity was described at the conference by Mr Albert Jubb, of the Industrial & Marine Division of Rolls Royce.

This would reflect solar energy from a five-acre area of mirrors on to a heat receiver mounted on a 200ft high tower. The heat would be collected by compressed air and transferred to a heat store consisting of 600 tons of rock. A gas turbine based on the Dart aero engine would compress the air and generate the electricity. Such a plant would save about £100,000 of fossil fuels annually.

BL updates Scammell to win army contracts

By Clifford Webb

British Leyland's profitable Truck and Bus Company is reorganizing its Scammell Motors plant at Watford to try to capture a bigger share of military vehicle contracts now being prepared by the Ministry of Defence and Nato.

The intention is to convert Scammell from its traditional role as a manufacturer of super-heavy trucks, such as the 240-ton gross weight Constructor and Contractor used by specialist hauliers like Pickford, to become the military and off-highway vehicle centre for the whole group.

As a first step Scammell had to pass a rigorous inspection by a ministry team. After a four-day visit they are now recommending it for registration to supply vehicles made to the existing 05-21 standard set by the ministry and also used by Nato.

Scammell is the only Leyland plant to meet this, the highest of the ministry's three vehicle standards.

A Leyland spokesman said yesterday: "The go-ahead for the new standard means that the quality of Scammell products is officially recognized and the plant can now tender for the production of new generation military vehicles."

Until 1980 Scammell will update its entire civil and military range. Over the past six months the engineering, manufacturing and supply departments have also been planning to bring in new models.

This is a further stage in the decentralization of Leyland Truck and Bus which was announced recently. Five divisions have been created: heavy vehicles, light/medium, passenger carrying, parts department and engineering services.

The first four are now operating as separate-profit centres. Scammell is a member of the heavy vehicle division but because of its specialist role will be an individual profit centre within that division.

Nissan to import UK sheet cloth

By Clifford Webb

Tokyo, March 24.—Nissan Motor Company said it plans to import sheet cloth from Britain's Jersey Kapwood Ltd for Datsun cars to be exported to Europe.

It said the volume of sheet cloth imports and date of delivery have not yet been decided, but it plans to use the British sheet cloth for all Datsun cars to be sold in Europe. Its annual shipments to Europe total 200,000 units. —Reuter.

Directors urge Chancellor to cut top income tax rate to 50 pc

By Patricia Tisdall

A plea for the Chancellor to create new rewards for success in business in his forthcoming Budget was made by Mr Jan Eldred, director general of the Institute of Directors, yesterday.

The institute recommends a reduction of the top rate of income tax to 50 per cent. It has told Mr Hesley that this would have the "largest single impact of any measure the Government is capable of taking to regenerate the economy."

The institute argues that the short-term tax cost of the measure would be quickly returned out of the growth and prosperity

which would follow. Easing the top income tax rate would raise the businessman's morale and restore to him a fair share of his own hard won earnings.

Successful businessmen had always been those in which individual reward was most obviously attached to individual success. In such economies, innovation—the source of most new wealth—had been widespread in both large and small businesses.

Success here had borne a penalty for far too long. That must now change, the institute says. We must set about encouraging those with the special skills needed to create and

expand a business to extend themselves to the limits of their natural inclinations and beyond. In addition the IOD asks the Government to exercise continued pay restraint. The next phase of pay restraint, it says, should aim at the minimum possible overall increase in money income, while permitting the maximum possible flexibility to correct distortions.

With or without pay restraint, however, growth and general prosperity would not be secured simply by cutting back unproductive spending to the level which producers of goods and services could support.

Brussels extends watch on imports of zip-fasteners

By Patricia Tisdall

Brussels, March 24.—The European Commission says it will keep imports of Japanese zip-fasteners under a "very close watch" as these shipments have a substantial impact on the Community market.

The Commission disclosed that it extended until June its surveillance, introduced last year, of zip-fastener imports from Japan, a further extension of the surveillance system will be considered if the situation remains unchanged.

The Commission statement came in reply to a question from a group of Community parliament deputies who wanted to know what the

authorities were doing about "the wholesale destruction of jobs by high-pressure Japanese competition aimed at the European zip-fastener industry."

The deputies also wanted to know whether the almost exclusive Japanese zip-fastener exporter, Yoshida Kogyo K. K., is not missing legislation on origin which, they said, made it possible to move goods freely by manipulating the designation of origin.

The deputies also suggested that the Commission should look at all zip-fasteners imported at the Yoshida/Japan to make comparisons with their operations in Japan.

MPs to compare technologies

By Ronald Emler

Technology used by Japanese companies manufacturing in Britain will be examined by the Commons select committee on Science and Technology. This was announced yesterday by Mr Arthur Palmer, MP, the chairman, at a press conference reporting on the committee's visit this month to Japan.

Committee members said they had been impressed by Japanese harnessing of technological developments to productivity and by the Japanese devotion to quality control.

Mr Palmer said they would look at the British plants of Sony and Nippon Seiko KK to make comparisons with their operations in Japan.

Engineering orders still at depressed levels

By Edward Townsend

Hopes of a recovery in orders and sales for Britain's engineering industries have been dimmed by the latest official figures showing that the inflow of new orders in the final quarter of last year fell by 0.5 per cent.

According to today's issue of *Trade and Industry* magazine, home and export sales remained flat at the end of the year. Poor December figures helped to depress the level of domestic orders and the magazine says that only later information will reveal whether the figures represent a temporary setback in a variable monthly statistical series.

Slowly rising export orders have helped to alleviate the decline, however, with a rise in the trend of per cent in the final quarter.

Total orders on hand at the end of 1976 were only 1 per cent higher than the low level reached in the third quarter. *Trade and Industry* again stressed that it is by no means certain that this is the beginning of a sustained recovery.

In fact, the figure conceals a further dip in home orders on hand. Domestic orders were at their lowest since 1970 and less than three-fifths of their size at the peak in 1974.

Industrial films.

Irony and humour to mark Grierson Day

The sponsored film community views somewhat wryly the irony of its position in the film industry at large. Their footage, paid for by sponsors who find value for their money, is very substantial, in the aggregate well able to stand alongside features on the one hand and commercials on the other. Their competence, as variable as that of any other body of workers, will happily stand comparison with that of their film neighbours.

Yet even on last month's Grierson Day, launching a fund to promote outstanding short and documentary films, little or nothing was heard of the sponsored area of short films. Irony indeed, remembering that the films Grierson made were in this country sponsored industrial films and in Canada sponsored government films.

Fortunately there is little sign that the filmmakers are discouraged: the films are still commissioned in very large numbers, and on a bewildering diversity of subjects. An area that last year included *Pay the Speed*, a brilliant picture of the World Speed Sailing Record Week, *BP's Proteins*, explaining clearly what they are and what they do, and the de Beers *World of Diamonds*, showing us London in its unfashionable role as the centre of the diamond selling organization, to name but three, is not lacking in subject interest.

A group of recent productions demonstrates afresh the range of topics that the medium covers. It is of course wider

than industry and commerce: witness *So we're different but...* (23 minutes) from the Department of Education and Science, showing how special schools help the physically handicapped (message—"don't treat us as if we were mentally defective"); and *Who cares?* (20 minutes) from the National Society for Cancer Relief, on the society's splendid work for cancer sufferers (three other charities look after cancer research).

Witness, too, the Home Office's *EMP*, a picture of the life of the prison officer.

Its 50 minutes are continuously interesting. It is of course also aimed at recruitment. Another recruitment film is *The Pru* (20 minutes), making an unconventional approach to a very different service. The Prudential building in London's Holborn is close on 100 years old, and the film intercuts scenes of life and work in the building in the past with today.

Shell, representing one of the few remaining links with the original Grierson tradition, have launched three 20 minute films in a series on *Regions of Britain*, complementing their county guide books: a purely subjective view of *The Peak District* ahead of *The Cornwalls* and *The Essex Coast*.

Finally there is *Let's sleep on it*, a 25 minute sales training film from Mecca, who make beds, and who have a refreshing sense of humour.

Eynon Smart

Sweden split over reactor policy

By Clifford Webb

Stockholm, March 24.—Sweden's Government today deferred for a week a decision on whether to allow completion of two more nuclear reactors, an issue which threatens to break up the three-party coalition and force a general election only six months after the last one.

The Government had been expected to decide today whether to put up state credit guarantees required by the semi-state owned nuclear industry for the completion of reactors number 11 and 12.

The Centre party, largest of the governing partners, is uncompromising in its stand to curtail the nuclear programme, which was a strong point of its campaign in the September election. However, Mr Thorbjörn Fälldin, the party's leader, had to compromise on his manifesto so that he could form a government.

Already accused of betraying his word once by allowing the completion of two previous reactors, Mr Fälldin has been trying hard to water down a Bill, to be enacted in April, which would stop further nuclear plants unless harsh terms for waste disposal and security measures are met.

The problem facing the coalition is whether to refuse the guarantees and leave the nuclear firms to stand the risk of losing about 3,000m Kronor (£430m) and hundreds of jobs or allow the guarantees and save the jobs (much needed in the present economic situation) at the risk of completely compromising the Centre policy. —Reuter.

W Germany had record surplus last month

By Clifford Webb

Wiesbaden, March 24.—West Germany's trade surplus rose to DM2,730m (about £682m) in February, from DM1,980m in January and DM2,190m in February, 1975, the Federal Statistics Office said.

German exports in February were DM20,980m against imports of DM18,250m, giving a net surplus on trade of DM2,730m, the statistics office figures show.

An official said, February exports were 6 per cent above the January figure and 9.5 per cent above the same month a year ago. Imports stood 2.5 per cent higher than in January but 7.5 per cent above the February, 1976.

The foreign trade surplus for the first two months of this year was DM4,710m against DM4,680m a year ago, he added.

The West German current account, including services and transfers, showed a preliminary deficit in February of DM200m, compared with a deficit of DM480m in January and a surplus of DM514m in February, 1976. —Reuter.

Business appointments

Reckitt & Colman elect chairman

By Clifford Webb

Mr James Clemenston, deputy chairman and chief executive of Reckitt & Colman, has been elected chairman from May 20. He will remain as chief executive.

Mr Arthur Mason will be retiring as chairman on that date but will continue as a non-executive director.

Mr J. A. Howard, deputy chairman Howard Machinery, has been made group chief executive. Mr Peter Colejohn is giving up his executive responsibilities but will continue as chairman.

Mr John S. Golaf becomes a director of Associated Biscuit Manufacturers.

Mr Allan Darton, Mr John Derington, Mr Peter Kershaw and Mr Peter Scott have been elected directors of Sir Robert McAlpine & Sons.

Mr L. W. Skelton will join the board of Consolidated Gold Fields Australia on May 1.



Mr J. A. Howard (left) who becomes group chief executive of Howard Machinery; Mr James Clemenston, chief executive of Reckitt & Colman, who additionally becomes chairman in May.

of Catonsmead in succession to the late Mr G. W. Whistop.

Mr David Worthing has been appointed first director of the British Woodworking Federation.

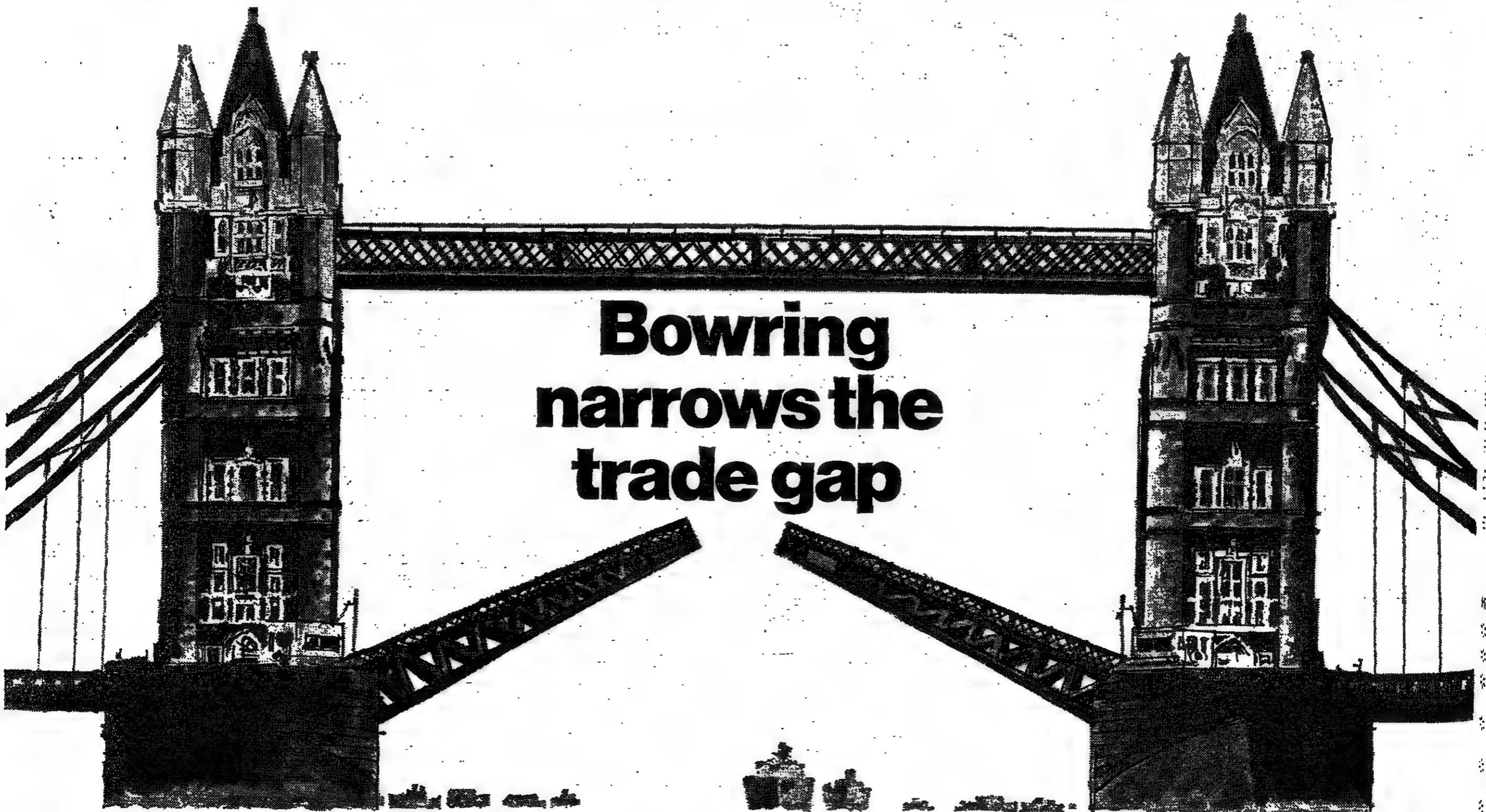
Mr D. R. Stevens has been elected deputy chairman of Drayton Commercial Trust. Mr J. R. Storer becomes deputy chairman of Drayton Premier Investment Trust.

Changes have been made in Hawker Siddeley companies manufacturing switchgear and trans-

formers. Two new policy companies, Hawker Siddeley Switchgear and Hawker Siddeley Transformers, have been formed. T. W. B. Salter becomes chairman and Mr R. A. Grierson managing director of Hawker Siddeley Switchgear. Mr Salter will also be chairman of Hawker Siddeley Transformers. Mr Grierson is to be chairman of a new operating company, Brush Equipment with Mr K. V. Latham as managing director.

Mr Grierson has been appointed chairman and Mr D. A. Buck managing director of Brush Switchgear. Mr R. C. Ballantyne becomes chairman of Brush Transformers and will continue as managing director. He has also been appointed chairman of Yorkshire Electric Transformer.

Washington Engineering, and of South Wales Electric Zambie and becomes a director of South Wales Switchgear. Mr L. V. Smith becomes managing director of Yorkshire Electric Transformer and Mr R. L. Dorman is to be managing director of Washington Engineering. Mr G. A. Martin and Mr R. Owen are appointed directors of South Wales Switchgear. Mr F. H. A. Baker and Mr R. M. Lloyd-Evans become directors of Brush Transformers, and Mr L. Hooper joins the board of South Wales Electric Zambie.



...with premium turnover in overseas currencies of £447,000,000 in 1976.

During the past two years Bowring insurance broking has increased its premium turnover in overseas currencies two and a half times, namely from £177,000,000 in 1974 to £447,000,000 in 1976.

This is in addition to Bowring's overseas earnings from insurance underwriting, shipping, trading and banking and its income from overseas subsidiary and associated companies.

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FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Profit-taking subdues equities

With the political uncertainty the previous few days moved, there was a surprisingly muted performance from the stock markets.

Light profit-taking was the order of the day and by the close the FT Index had lost six points to 421.4. Dealers felt at the gains attributable to the Government's victory had no late on Wednesday and a flurry in the first part of the day, the success was largely discounted.

Gilt-edged stocks started well, but subsequently fell away to a narrow mixed around 100. The over-valuation of the new £800m meant that the market will without the restraint of a "tap" and provided some financial encouragement. But one market signal that MLK likely to remain unchanged as some profit-taking acted as underweights.

Long dates, five-eighths

In spite of another 6p rise 100p for store group Bournes Holdings, many remain sceptical about the chances of bid. They see the location of a store is not the most attractive in Oxford Street, London, and feel the price rise gives little to the market's present willingness to act on unsubstantiated chatter. Early this month, B & H told The Times knew of no approach.

At one point, closed with a rise of about one-eighth, while shares ended at their lowest levels and were little changed. The retailing sector provided a number of speculative features. With a property revaluation expected, Owen Owen set with demand and rose 5p to 7p.

After scoring 10p in the previous session, Rattlers lost 1p to 87p, in spite of talk that a bid worth 120p is "on the

table". H. Samuel is mentioned as a possible suitor.

Herbert Morris held steady at 225p awaiting further developments. Leeds & District Dyes continued to go ahead at 70p, up 4n, while takeover talk persisted at William Press, which closed 5p to the good at 61p.

Confirmation that De La Rue had sold its Formica interests had the shares 11p better on balance at 375p, and UKO International dropped 10p to 150p in late trading on the Manopolis decision to block the Pilkington bid.

Standard Trust gained 15p to 150p after the Prudential emerged as a rival to BR Pension Fund and Schlesinger. The trust's shares were briefly suspended. Aron Rubber also saw some late interest and ended 4p higher at 130p.

But it was left to Peachey Property, the most active share, to provide most interest. In spite of the announcement of results coming next week, the shares dipped 9p to 28p, after

23p, on adverse rumours which were widespread, but unconfirmed.

Food shares commanded interest with Maynards up 10p to 80p after figures. Pork Farms better by 10p to 167p in response to favourable comment. Kwik Save firmers by 3p to 170p and Booker McConnell gaining 1p to 149p on earlier figures.

Comment by President Carter on restraining oil consumption brought late falls to the sector with BP closing 24p lower at 815p on transatlantic selling. Shell losing 6p to 438p and Ultramar 10p to 144p.

Another feature in the sector was Attock Oil which ended 10p ahead at 98p after news of a 16 per cent Kuwaiti stake.

A fresh advance in the commodity price brought tea shares into prominence again, with Camelia 10p to 162n, Longbourne 10p to 200p and Demudi 6p to 46p scoring the strongest rises.

The building sector performed rather better than

average with Glynwed meeting a strong demand and rising 6p to 111p, AP Cement up 2p to 188p in spite of the disappointment at earlier results, International Timber better by 2p to

Star performer of the building sector was Marchiel where a strong speculative interest had the shares 7p better at 164p. The attraction is the possibility that this cash-rich group will make some sort of capital distribution. The prospect of a bid through the McAlpine interests is also an ever-present background feature.

50p and Costain by 2p to 170n. Peachey apart, properties were subdued enough. Melmore, lost 5p to 188p and Churchbury went in the reverse direction to the extent of 4p to 190p.

In insurance, broker Bowring lost 2p to 87p after figures, while Sun Alliance gave up 7p to 448p ahead of figures due soon. Prudential, after the terms for Standard Trust, gave up 8p for a close at 128p.

Profit-taking after figures left Gallenkamp 4p lower at 186p, but Liverpool jumped 2p to 111p after doubled profits. Smith & Nephew held firm at 471n, as did Manchester Liners at 260p with Sime Darby closing 3p lower at 102n, all after statements. At 27p, Blackwood, Norton put on a penny after its statement.

Equity turnover on March 23 was £101.01m (15,939 bargains). According to Exchange Telegraph, active stocks yesterday were: British Properties, Shell, ICI, RAX, Dr. Williams, Dunlop, Royal Insurance, Bechem, BSC International, Burmah, Trafalgar House, Lucas, GKN, A. GKN, Swan Hunter, Midland Bank, BAT Ind. BP, T. S. Tilling, Imperial Group, GEC, Herbert Morris, Avon Rubber, Glynwed, Bournes & Hollingsworth and Rattlers.

Latest dividends

Company (and price)	Ord	Year	Pay	Year's	Prev
Barclays (25p) Flt	1.32	1976	1.66	2.62	2.66
Blackwood (25p) Int	0.81	1976	0.81	2.5	1.62
C. T. Bowring (25p) Flt	1.82	1976	1.38	2.63	2.29
Edinburgh (25p) Flt	1.74	1976	0.63	2.49	1.7
R. Cartwright (10p) Flt	1.41	1976	1.19	6.5	2.41
National Panasonic (10p) Int	3.5	1976	2.3	9.5	8
Comuntrade Props (5p) Int	0.23	1976	12.5	0.16	0.16
Electrolux (50p) Int	5.5**	1976	20.5	5.5**	5
A. Gallenkamp (25p) Int	0.92	1976	0.64	0.92	0.74
J. A. Jones (25p) Flt	3.31	1976	3.02	18.5	4.81
L. P. J. Post (25p) Flt	4.09	1976	3.72	29.4	6.5
Manchester Lines (20p) Flt	4.02	1976	4.02	5.02	5.02
North British (50p) Int	5.04	1976	3.21	3.6	9.04
Philips' Lamps (10p) Flt	1.2	1976	1.2	1.54	1.12
Pressac Holdings (10p) Int	0.84	1976	0.76	20.5	2.4
Sime Darby (10p) Int	1.1	1976	0.85*	31.5	2.6*
Smith & Nephew (10p) Flt	1.44	1976	1.31	24.5	2.15
P. W. Thorpe (10p) Int	0.6	1976	0.55	17.5	1.3
William Winton (25p) Flt	2.9	1976	2.64	23.5	4.5

Dividends in this table are shown net of tax on pence per share. * Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.54. * Declared gross. + Pence per share. * Florins per share. ** Kroner per share.

Smith & Nephew is plodding on

By Richard Allen

Profitability continues to improve slowly but surely at the Smith & Nephew cosmetics and pharmaceuticals group.

Helped by year-end exchange rates of £1.1m it managed to push pre-tax profits up by 19 per cent to £14m last year. And, promises that the return for the first three months of the new term should be 25 per cent ahead of the corresponding period after a real improvement of over 15 per cent in last year's final quarter.

Meanwhile, the year's sales

growth of 23 per cent to £145m brought little extra stress to the balance-sheet with borrowings (excluding loan stock) rising from £15.7m to £16.9m. Net borrowings now represent 67 per cent of shareholders' funds or 32 per cent of the increased figures assuming loan stock conversion.

A higher tax charge—chiefly from unrelieved United States losses—depresses the net profit figure, and earnings a share are just 10p per cent better at 4.9p. A final dividend of 2.23p takes the total payment up by the maximum to 3.32p gross.

All divisions made progress with cosmetics sales and profits improving substantially at home and on the export front. In the United States, however, problems persisted and resulted in a pre-tax loss of £1.2m. But United States activities have now been pared considerably and projections for 1977 indicate an improving trend.

Elsewhere textiles and clothing provided the biggest boost, while medical, optical and pharmaceutical products did well. Capital expenditure last year was £6.8m, compared with a depreciation charge of £3m.

Philips leap is hard to evaluate

By Roy Maughan

Philips Lamp, the giant Dutch electrical goods manufacturer, pushed sales last year up from £27.15m to £30.43m.

Turnover for the year soared from £703m to £1,282m but the figures (the group points out) are not directly comparable. The latest figures no longer take in the results of large and medium-capacity computer last year for a £135m charge for miscellaneous items in connection with a number of restructuring operations including the adaptation of the company's United Kingdom distribution organization.

In addition, a net sum of £194m was charged against profits in respect of adverse exchange differences, while Philips enjoyed credit in the previous year.

At net level, Philips jumped from £378m to £672m but the comparable distributable profit for 1975 was £464m, our-quarter net earnings rose from £159m before a tax provision adjustment to £205m.

Denying rumours that the group's telephone system tender in Saudi Arabia had been turned down, Philips stated yesterday that it had been asked earlier this week to tender an offer after it had made a study lasting almost a year for a multi-billion, guided telephone system. The position had not changed since then, the company stressed.

Dividends of £1.6 a share are declared for the year.

Lyons sells half of its S African Wimpy to locals

Following the sale of Wimpy franchises in Britain to United Biscuits for £7m late last year, J. Lyons has sold a 50 per cent stake in its troublesome Wimpy subsidiary in South Africa for £600,000.

The buyer, Bakers South Africa, has an option to take up the remaining 50 per cent within three years.

When Lyons set out the details of the £35m divestment programme last month, losses of some £32m at the South African Wimpy operation were first unveiled. The problems arose from a combination of errors of omission, overstatement of assets and the crystallisation of guarantees, and the deficit related mainly to the two years up to March, 1976.

Management action has plugged the leak and the operation is now said to be trading profitably. Bakers' chairman, Mr. Leo Baumann, sees scope for growth.

Exports shine at Gallenkamp

The strong overseas content in earnings offset a stagnant United Kingdom market enabled Gallenkamp, (scientific instrument), to turn in strong opening half.

For the period to December 31 taxable profit jumped 42 per cent to £2.67m, on sales up from £11.38m to £13.23m. Earnings a share, basic, were up from 13.72p to 19.46p, and, fully-diluted, from 12.57p to 17.64p. The half time dividend rises from 3.08p gross to 3.85p.

Mr. Peter Hallen, chairman, says that at home sale increased by 7 per cent in value over the same period. Total sales, up 16 per cent, and the bulk of the improvement to exports—30 per cent up on the same time in 1976 and contributing 45 per cent of the whole.

Anglo American Gold Investment Company Limited

(Incorporated in the Republic of South Africa)

Extracts from the review by the Chairman Mr. J. Ogilvie Thompson

Profit after tax was reduced to R45.37 million (206.7 cents a share) in 1976 from the earnings of R74.83 million (340.2 cents a share) in 1975. Income from listed investments decreased by some 37 per cent to R46.54 million from a level of R74.11 million in 1975. Interest earned during the year was R391 000 lower at R1.79 million on account of a lower average cash level during the year following the substantial investments made in 1975. Gross income was R42.80 million compared with R77.52 million last year. Administrative expenses were R25 000 lower at R1.25 million. Expenditure on prospecting and mineral rights, however, rose by R500 000 to R1.77 million, while interest paid was R84 000 higher at R372 000—so that total expenses were R34.0 million (1975: R2.84 million), leaving a pre-tax profit of R45.40 million compared with R74.65 million in 1975. A provision for taxation of R34 000 (1975: R6 000) brought after-tax profit to R45.37 million (1975: R74.68 million). Interim and final dividends each of 90 cents a share were declared. The total distribution of 180 cents a share, was 80 cents lower than in 1975 and absorbed R39.51 million (1975: R57.08 million). An amount of R5.50 million was transferred to General Reserve leaving an increase in unappropriated profit of R352 000. These retentions were less than the R13.98 million of new investments and loans made during the year so that net current assets decreased by R8.13 million to R2.82 million at the year-end.

Gold

The year 1976 was crucial for the gold market. During the year the price was subject to continuing pressures which drove it down to the lowest level since 1973, but there was a strong recovery in the latter part of the year, which could be ascribed to a renewed appreciation of the advantages attaching to gold ownership from both the official and the private investors' point of view.

It is noteworthy that at the auctions in the latter half of 1976 the bullion offered was readily absorbed, giving proof of the underlying strength of demand and suggesting that had it not been for these additional supplies, the immediate upward pressure on the price would have been greater. Informal estimates show that last year, for the first time since 1972, fabrication demand, excluding coins, exceeded mine production, excluding Russian sales; so that, allowing for investment in coins, communist and IMF sales and some private net disinvestment were the balancing factors.

Yet while the overall pattern of fabrication demand did not vary significantly over the year, the alteration in investment and speculative interest was apparent in the second half of the year. One does not have to search too deeply for explanations of this change in attitudes. An obvious one is the interest which both central banks and the less developed nations have in seeing that the price is not depressed artificially. Confirmation of this was provided at the IMF annual meeting in Manila in October. It is true that all nations accepted the principle of gold sales by the Fund, and much was made of the "historic decision" to phase out the monetary role of gold. But the need for flexibility in marketing techniques was stressed not only by the developed countries as a group, but by a number of western nations as well.

The subsequent decision by the executive directors of the Fund to hold monthly auctions of 525 000 ounces as from 2nd March reflects acknowledgement of the force of the argument.

However, the debate at the IMF meeting highlighted a far more basic issue, namely that all the anti-gold rhetoric could not disguise the fact that agreement on the Second Amendment to the Articles—to provide, inter alia, for legalisation of a floating rate regime and promotion of the SDR as the principal reserve asset—had been achieved only at the cost of abandoning most, if not all, of the features that had been regarded in earlier discussions of the Committee of Twenty as essential to an effective reform of the international monetary system. What was left would be a framework of evolving rules allowing the IMF, through "firm surveillance", to attempt to ensure that domestic economies were run in a balanced, non-inflationary manner, so that the international exchange-rate system would look after itself. There would be no other external discipline.

The somewhat cynical view taken of the proposed new monetary arrangements by informed commentators was based not only on previous experience of the clash between international and sovereign domestic interests, but on evidence of the tensions that were already building up within the floating rate system. These were likely to be exacerbated by the inevitable further expansion of international liquidity, the distortions arising from continued OPEC surpluses and the ever-mounting debt problems of the less developed countries. Renewed appreciation of these disturbing influences could only heighten interest in gold, bearing in mind also the possible reaction in such an environment of central banks which would be free to buy gold by the time the Articles were amended—to the extent that the IMF had sold—and completely free to deal in the metal by February 1978. Furthermore, uncertainty aroused by the incoming Carter administration's expected approach to US economic policies was another consideration leading to fears of renewed monetary stimulation and inflationary pressures, resulting in a weakening of the dollar.

Subsequently, however, although the underlying international liquidity problem remained acute, the lower-than-expected oil price increase, some recovery in sterling and fewer reservations about President Carter's domestic policies temporarily allayed currency and inflationary fears. In such circumstances, despite the confident long-term outlook for gold's absorption in fabrication, the market tends to become more sensitive to supply factors. It is noteworthy that the levelling off in the price in January was ascribed to an increase in supplies emanating from various sources in the Far East and also to possible sales by smaller recipients of the first of four annual restitutions of 6.25 million ounces of IMF gold which has recently taken place. Although it can be anticipated with reasonable confidence that only a relatively small proportion of this gold will find its way on to the market in 1977 and during the next three years, it is an important reminder of the moderating influence that the expected weight of additional supplies, including possible US Treasury sales, can have from time to time. Nevertheless, while this view was confirmed by the results of the January auction, at which the common price of \$133.25 was slightly below that realised at the auction in December, there was a marked change in sentiment after the first week in February. The price moved rapidly to the \$148 level in four weeks, having been given an impetus by the results of the seventh auction on 2nd March. It is noteworthy that the average price at that auction of \$146.51 was markedly higher than the previous day's London fixing and that the market price rose again in the subsequent week. The fact that this encouraging result was achieved despite the use of the bid, rather than the common, price method lends support to the interpretation that investment demand was a predominant factor at the auction.

The reappearance of this factor has introduced a measure of volatility into the present situation and it would be unwise to expect the price to continue rising at the rate experienced in the past weeks although hopefully it will now at least consolidate on a new and higher plateau. The behaviour of the market in the period under review suggests that gold has not only survived a severe test of its inherent worth, but has shown clear signs of renewed strength.

The Industry

The production costs of the South African gold mining industry continue to escalate at an unacceptably high rate. During the decade beginning in 1960 the average annual increase in the industry's working costs per ton milled was less than four per cent and in 1970 the average unit cost was only R7.34. Since then, however, costs have nearly tripled to R19.25 a ton milled in 1976. Certain major elements in the cost structure are, of course, beyond the power of the industry to control but some comfort may be found in the deceleration of the rate of increase: the industry's working costs per ton milled rose 15.3 per cent in 1976 and this compares favourably with the 27.0 per cent increase sustained in the previous year.

One factor contributing to the cost increases of recent years is the series of wage awards made annually to black employees since 1971. These reflect the industry's policy of reimbursing all its employees according to equitable pay structures and raising living standards as far as is consistent with sound financial management. The minimum wage which was 50 cents in 1971, rose to 220 cents a shift in 1975 and was increased further in 1976 to 250 cents. Average wages of black workers underground, which were 79 cents in 1971, rose similarly to 320 cents per shift in 1975 and to 355 cents (equivalent to R92.30 monthly) last year. To these wages should be added the value of free housing, food and fringe benefits.

Wage awards of this kind are, of course, costly but it is necessary to view them in perspective. Over the period from 1971 to 1976, the national average increase for black wages was 199 per cent which should be compared with the 455 per cent increase in mine workers' wages. However, during the years prior to 1971, black mine workers' wages generally rose at a rate slower than those of black workers in other sectors and increases since then should be seen in this context.

At the same time it is important to note that rising costs in recent years have been matched by greatly increased income. Revenue per ton milled has risen from R11.24 in 1970 to R31.53 in 1976 and earnings per kilogram of gold produced quadrupled over the same period from

R852 to R3 367. Nevertheless, it is essential that the rate of annual cost increase should be reduced and thereafter maintained at levels much lower than those of the past few years if a sound foundation is to be secured for future development.

The complexity of the South African gold mining industry is such that its difficulties are often examined in isolation and I believe this is an opportune time to consider the relationship between these apparently disparate problems. It is true generally, though not always, that mining operations are being conducted at greater depths and this will become an increasingly common feature as new mines are developed and the lives of existing mines are extended. As mines become deeper heat and pressure are accentuated, costs tend to rise disproportionately and productivity rates to drop. In recognising the special and long-term nature of these problems, the industry some years ago initiated an extensive research programme and considerable sums have been expended, both by individual groups and by the industry in concert, acting through the Chamber of Mines.

Research and development work is being carried out in a number of areas and one of the industry's long-term aims is to develop non-explosive rock-breaking systems. These include the boring of flat and inclined tunnels and a successful example is in the adaptation of raise borers which already have produced significant financial advantages through the earlier commissioning of new shafts. Many benefits will flow from the introduction of technologies which make it possible to move away from the conventional method of drilling, charging and blasting and the most important advantage will be the introduction of a continuous mining system without the need to suspend operations to permit blasting. In turn, this will enable the concentration of mining in production areas and will make easier the careful husbandry of human and material resources. Examples include the important research work being conducted at Vast-Rees, a mine within the Anglo American Corporation Group, on a mechanised stoping system which has been evolved by the Chamber of Mines' research team. Although trials are in their early stages and much further assessment and development is required, the project has considerable potential for concentrating mining operations, increasing the present rate of slope face advance and for improving stoping labour productivity. Simultaneously with these experiments, other stoping systems are under examination. These include drag bit rock cutters, swinghammer miners and hydraulic impact rippers. These systems bring the ultimate range, for the first time, the ultimate goal of continuous mining with all its potential and far-reaching benefits. It is as well to remember, however, that the nature of mining entails that new operating methods will emerge slowly, out of persistent and painstaking research and that change is unlikely to be sudden or dramatic.

At Western Deep Levels, one of the world's deepest mines, a long-term research programme is in progress to investigate the causes and effects of seismic activity and to develop an accurate means of predicting the development of stress caused by mining. The project faces difficulties but its success could have significant implications for the future of the gold mining industry.

An area which has a special relevance to heat problems at depth is that of underground environmental control. It has been accepted practice in the past to combat excessive heat by increasing greatly the supply of refrigerated air to working places through ventilation airways. Recently, however, experimentation has indicated that by placing refrigeration plants on surface and by delivering chilled service water to stopes and development ends as a means of re-cooling the air supply, ambient temperatures can be held below 28°C. This must be regarded as a major breakthrough and its potential is considerable.

At world-wide phenomenon of recent times is the comparative ease with which a mining career is regarded, associated as it is with heat, confined spaces and physical labour. In challenging and changing these attitudes, better working conditions have become a matter of pronounced importance.

Labour

The mining industry has grown around the premise of an adequate supply of black labour, albeit much of it unskilled and from regions outside South Africa. However, the events of the past two years have resulted in an increasing degree of political instability in the sub-continent and have contributed to the rising expectations of many black South Africans. These found expression in the prolonged outbreaks of violence in black townships which took place last year and were accompanied, tragically, by much loss of life and individual suffering. It may be significant that during these demonstrations of discontent, the mining industry experienced one of its more peaceful periods in recent years and hopefully this is due at least in part to its generally improved conditions, particularly higher wages. Nevertheless, the industry is fully aware of the changes in the political balance of the Southern African region, which have combined to throw into sharp relief the long-felt and grave deficiencies of the migratory labour system. Whilst it is not possible to change the system within a short-term period, much has already been achieved to mitigate its more unsatisfactory features. Concentrated efforts are being made, with conspicuous success, to encourage more black South Africans to take up employment in the industry and to regard their work as permanent careers. Improvements in the quality of life are a natural concomitant of such efforts and are being made to achieve this in a number of ways which include progressively closing the gap between mine wages and those of other industries and the provision of high standard hostel accommodation. Increased productivity is essential if rising working costs are to be contained and a greater reliance on mechanisation and use of new mining systems is inevitable. This presupposes that men of high calibre and skills, white and black, will be available to the industry and the development of a stable black labour force which sees in mining a secure and permanent future for themselves and their families has become paramount. As I commented last year, one area for more immediate action lies in the provision of additional married accommodation for senior employees who occupy key positions. Discussions with government are at an advanced stage and I am hopeful that it will be possible to begin work on further housing projects in several areas during 1977. However, the cost of a comprehensive house-building programme will be very great and it will be necessary to proceed with caution.

The mining industry is engaged in a search for solutions to closely-related technical and human problems. In due course, technological answers will be produced but their successful application will depend on a stable, well-trained and motivated work force. Legally-entrenched job reservation and the closed-shop agreements have placed the white labour unions in a strong position to advance the interests of their own members. However, the traditional and parochial trades union approach to these important matters can no longer be considered appropriate. Change and adaptation are vital if South Africa is to adjust to the new circumstances in which it finds itself. I very much hope that the unions will participate fully in the initiatives which must be developed soon if the industry is to achieve stability and progress.

Outlook

The past year has been a difficult one for the gold mining industry in comparison with 1974 and 1975. Lower gold prices, higher costs and higher taxation greatly reduced profits and consequently there was a drastic cut in dividend distributions. Last year's South African budget introduced further increases in both the rate of taxation and the compulsory loan levy so that some companies now pay as much as 74 per cent of their profits to government. This is beyond the limit of acceptable tax levels and it is to be hoped that gold mining taxation will soon be reduced.

The vagaries of the gold price and the recent high levels of inflation have highlighted the necessity to contain working cost increases although it is pleasing to note that general inflation in South Africa is now running at a lower level. The industry is adapting to the new environment in which it operates and is devoting considerable energy to two principal cost reducing areas—technological development and labour productivity. The objective of these major efforts must be to achieve a more efficient, capital-intensive industry, manned by a stable and more productive labour force. At present the industry is enjoying a higher than usual level of black labour availability which is due at least in part to its successful policy of progressively closing the gap between its wages and those in other industries. It should be possible this year to increase the tonnage milled and grades are currently expected to be maintained.

So far this year the price of gold has been above the 1976 average. Current indications for gold are more favourable than at this time last year in that fabrication demand remains strong and gold's international position and role as a trusted asset appear more entrenched than previously. This is reflected in the market's recent performance and the rapid price rise of the past few weeks. In addition, the probable revaluation of South Africa's gold reserves later this year will ensure that the mines immediately receive market-related prices for all their production.

Subject to any political or social upsets, the industry and, therefore, our company can expect a reasonable year and a sound future. Our large holdings in most of the major South African gold and uranium mines, producing and developing, and our interesting participations in prospecting, ensure that we have a strong and well-spread base from which to participate in this future.

Bowring

Results of C. T. Bowring & Co. Ltd.
for the year 1976, subject to audit:

	1976 £'000	1975 £'000
Turnover	945,030	682,990
Profit before taxation	25,847	15,409
Taxation	13,120	8,463
Profit after taxation	12,727	6,946
Minority	526	324
Profit before extraordinary items	12,201	6,622
Extraordinary items	3,983	—
Profit after extraordinary items	16,184	6,622
Preference dividend	11	11
Available for Ordinary Shareholders	16,173	6,611
Earnings per share before extraordinary items	11.7p	6.5p

Highlights from Preliminary Announcement

- * Group profit up by £10.4 million
- * Earnings per share up by 80%
- * Premium turnover in overseas currencies up from £272 million in 1975 to £447 million
- * Insurance broking profits up from £10.4 million to £17.1 million
- * Bowmaker profits up from £4.6 million to £6.9 million
- * Increased profits from all sectors other than property
- * Directors recommend final dividend of 1.82585p making a total of 4.059p for the year, the maximum permitted.

C. T. Bowring & Co. Ltd.

The Bowring Building, Tower Place, London EC3P 3BE
Tel: 01-283 3100 Telex: 888321

The annual report and Chairman's review may be obtained from the London office at 40 Holborn Viaduct, EC1P 1AJ or from the transfer secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ. The annual general meeting of members will be held at 44 Main Street, Johannesburg on 15th April 1977.

FINANCIAL NEWS

Talisman opponents still not charmed

By Our Financial Staff

Anti-Talisman campaigners Mr Colin Harding, is predicting a "very close outcome indeed" when Stock Exchange members meet to vote on the future of the computerized settlement system next Wednesday.

Most of the members of Mr Harding's "1976 Committee", made up of 80 smaller firms originally opposed to the system, remain unmoved by the SE Council's decision earlier this week to make small reductions in planned charges.

Mr Harding said after a meeting of the committee yesterday that these members intended to cast a categorical "No" vote at next week's meeting.

However, a minority of committee members are resolved to make an attempt to attach conditions to a potential "Yes" vote. Among the conditions suggested at yesterday's meeting were that the Talisman system should be run as an autonomous body with a board of directors drawn partly from outside the Stock Exchange Council; and another was that fresh consideration should be given to cost-cutting possibilities.

Meanwhile, one firm represented at the meeting is currently attempting to win support for an amendment to be tabled next Wednesday delaying the vote for a few weeks while these matters are considered.

C Plantations in twin bid

Reporting interim profits for the half to December 31 up from Ringgit 16.54m to 21.95m, Consolidated Plantations said in Kuala Lumpur it is making an agreed offer for the rest of Patani Para Plantations and Batu Masang Rubber Plantations. CP already owns 28.4 and 33.9 per cent of the respective equities.



BLACKWOOD MORTON & SONS (HOLDINGS) LTD.

Interim Statement

The Directors of Blackwood, Morton & Sons (Holdings) Limited announce an Interim Dividend of 8.125p per share (1976-81.25p) for the year to 30th June 1977.

Unaudited Group results for the six months to 31st December 1976 (overseas subsidiaries—six months to 30th September 1976) are as follows:—

	Six months to 31st Dec. 1976	Six months to 31st Dec. 1975 (now)	Reported 1975
Sales	13,785,223	12,200,838	12,200,838
Trading Profit before Depreciation and Interest	1,827,190	738,597	904,878
Less: Depreciation	283,132	287,484	287,484
Bank Overdraft Interest	238,569	105,274	105,274
	522,701	345,758	345,758
Profit Before Tax	604,489	346,839	511,918
Tax (Including Deferred Tax)	282,000	174,000	275,000
Profit After Tax	242,489	172,839	236,918

Note: As reported in the last annual accounts the method of computing costs of processed stocks was adjusted with effect from 1st July 1975 to conform to recently published standard accounting practice in that respect. The results shown above in column 1, 1975, using the new method; column 2, 1975, gives the principal figures as computed under the old method and as reported in the interim statement for that period.

Pre-tax profit of £504,489 showed an increase of 45% compared with the adjusted profit for the corresponding period of the previous year. The increase was obtained in spite of the higher interest charges which were anticipated in the statement accompanying the Annual Report and Accounts. The second half of the current year should benefit from the recent reductions in interest rates.

Turnover of £13.8 million included over £2.5 million of exports, up by 76% compared with the same six months of the previous year. The improvement in exports was mainly due to increased demand from Australia, the Common Market and the Middle East. The home market is depressed and for the time being much will depend on our ability to expand in overseas markets.

All our subsidiaries continue to operate profitably with the exception of our Canadian company where the first half improvement in results is unlikely to continue into the second half of the current year.

We operate in a climate of low UK demand and high raw material costs, reasonably steady wage levels, but great economic uncertainty. This need to conserve cash resources is paramount and the level of the dividends for the year must wait until the full results are known.

L'pool Post shows how to do it

Strength in diversity is the keynote of full-time results for 1976 from Liverpool Daily Post & Echo. As broadly expected, profits not only passed a first-time £3m but topped £4m as well, after a mid-term jump from £1.18m to £1.87m. The shares responded with a 5p rise to 111p.

On turnover increased from £32m to £39.6m, taxable earnings soared 42 per cent to £4m and the net from £1.4m to £2m. Its total payout rises from 5.09p gross to 10p.

Pre-tax profits from retailing added 18 per cent, and paper-making and packaging 22 per cent, but the most marked rise was from Canadian newspaper publishing, where, helped by the decline in sterling, profits soared 111 per cent. Newspapers at home were static at £1m, contributing 25 per cent (against 33) to overall profits. Papermaking and packaging increased its share of profit from 41 to 43 per cent with £1.74m (£1.14m).

For 1977, however, neither Plauden, the company's papermaking interests are likely to do more than consolidate their gains. But total profit should at least be maintained.

Jones & Shipman orders revive

There has been a "very substantial" increase in orders in recent months at Jones & Shipman, but a setback in the second half of 1976 leaves pre-tax profits of this high precision or machine-made 4.3 per cent off at £1.7m for the year. Turnover went up from £10.7m to £11.5m, suggesting a fall in margins from 17 to 15 per cent.

The dividend is going up from 6.72p to 7.4p gross out of earnings of 13.9p (14.7p). At half time, the group reported a slight rise in profit to £737,000 before adjusting for inflation. The volume of income in 1976 to approve the proposals and it is expected the scheme will be effective on April 20.

Stating that the net asset value a share of Mendip at February 28 was 83.8p, the board intends to declare a second interim dividend before the year end. An extraordinary meeting will be held on April 19 to approve the proposals and it is expected the scheme will be effective on April 20.

Profits had to bear interest charges of £239,500 (against £125,000 restated). Total gross profit raised from 1.29p to 1.42p.

Briefly

HARRISON'S MALAYSIAN

Offers by Harrison's Malaysian Estates have been accepted for 91.36 per cent of Golden Hope Plantations, 85.71 per cent of London Asiatic Rubber and 86.41 per cent of Paraling Rubber. Directors of the three companies have accepted for their own holdings and strongly recommend those shareholders who have not already done so to do the same.

WILKINSON WARBURTON

On sales up from £12.28m to £14.32m in 1976, pre-tax profits rose from £337,900 to £510,000. Total gross payment raised from 6.52p to 6.93p. Board looks forward to 1977 with cautious optimism.

ENGLISH CHINA CLAYS

Acceptances received for about 99.75 per cent of 23.5m ordinary shares offered in public issue at 62p each. Shares not taken up have been sold at a premium over the issue price.

B.I.P. CIRCLE-DAVIS

Talks on what could lead to an offer being made by Blue Circle for shares in Ruber, Davis or already owned. Blue Circle is the South African subsidiary of AP Cement.

J. HEWITT (FENTON)

Pre-tax profit for 1976 of J. Hewitt and Son (Fenton) £230,000, up from £190,000.

M/C Liners go slightly astern

Despite an 87 per cent spurt in the second half to £739,000, Manchester Liners did not manage "at least" to equal its 1975 profits for the full year, as was hoped at half time. At £7.03m, the pre-tax figure for 1976 compares with £2.2m for 1975 and a record £6.3m for 1974.

The group which Furness Withy controls, pushed its revenue for the year up from £3.6m to £30.2m. Out of earnings a share of 8.3p (9p) the dividend is held at 7.73p gross. Profits bore a loss of £405,000 on the sale of a ship.

Tricentral-Ashmore

Holders of over 95 per cent of the ordinary shares in Ashmore Investment Trust have accepted the recommended offer made by Morgan Grenfell on behalf of Tricentral. A listing for the new ordinary shares in Tricentral to be issued has been granted by the Council of the Stock Exchange and all the conditions of the offer have been fulfilled. Accordingly, the offer has become unconditional and remains open for acceptance until further notice. The total number of existing ordinary shares in Ashmore in respect of which acceptances (including shares surrendered by incomplete acceptances) is 3.8 million.

Mendip-Cabot

Documents giving details of the proposed scheme of amalgamation of Mendip Investment Co with Cabot Unit Trust have been posted. An extraordinary meeting will be held on April 19 to approve the proposals and it is expected the scheme will be effective on April 20.

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Mr David Wickins, chairman of British Car Auction Group.

Strong brew-up by Williamson

Tea prices at all world centres continuing to rise at an unprecedented rate, Williamson Tea Holdings forecasts profits for 1976 "considerably in excess" of the previous year. In 1975 pre-tax profits were £1.67m. Meanwhile an application will be made for the removal of dividend restraints as its operations are chiefly overseas. However, the ability to pay more also depends on permission to repatriate profits held in India, on India's Foreign Exchange Regulation Act and also ability to remit from Tanzania.

Meanwhile, to comply with the Act, the group is submitting a scheme in India whereby the assets and liabilities of subsidiaries operating there will be vested with effect from January 1, 1978, in a single rupee company.

Gold Fields' taking in Whitby Potash

Consolidated Gold Fields is to buy Whitby Potash, which has exploration rights and mineral options over 12,000 acres in north-east Yorkshire, from Shell Petroleum.

Subject to a feasibility study, it is expected that the mine will be in production in the early 1980s at an annual rate of 450,000 tonnes. Current United Kingdom consumption of potash is running at about 750,000 tonnes, half of which is imported from Eastern Europe.

Gold Fields intends to run an 18 month assessment programme. Charter Consolidated, another United Kingdom mining finance house, is working the troubled Cleveland potash mine in Yorkshire with ICL.

The newly-merged takeover battle by British Car Auction Group for Nationwide Leisure is proving a cliff-hanger. The offer which was due to close on Wednesday has now been extended to today with BCA holding 47.61 per cent of the Nationwide equity in its £620,000 total offer. BCA has received acceptances for 1.66m Nationwide shares, some 26.45 per cent, and 1.33m Nationwide shares have been acquired or agreed to be acquired by BCA during the offer period.

Mr David Wickins, BCA chairman, was claimed that the Nationwide Board is openly divided.

Recovery continues at Assoc Fisheries

Profits of Associated Fisheries, the trawling and frozen food group, are continuing their recovery. Mr P. M. Tapscott, the chairman, told yesterday's annual meeting. But he warned that the future of the British fishing industry remained "complex and confused".

When the results for the first half of the current year are announced in July, he believes they will show a "reasonable profit figure" compared with the loss of £1.6m at the halfway stage two years ago and a loss of £537,000 for the first six months of last year.

Bryant chairman gets summonses

Mr Chris Bryant, chairman of Bryant Holdings, issued a statement yesterday concerning summonses served on Wednesday following a four-year police inquiry. Some 16 allegations related to individual gifts, etc., said to have been corruptly given to Mr J. A. Maudsley, former Birmingham City architect, between 1966 and 1972. There were also two conspiracy charges.

Mr Bryant had received a summons on each of the conspiracy charges. Along with Mr Maurice Barwick and C. Bryant & Sons, he had been charged with corruptly giving two dozen bottles of gin to Mr Maudsley at Christmas, 1972.

Co. Engineers (1927) for half-year Dec 31 up from £274,000 to £223,000. Demand for consulting services and associated contract engineering activities, remain strong, board reports. Board looks in immediate future with some confidence. Interim payment, gross, raised from 2.88p to 3.65p.

DISCOUNT BANK INV

Dismissing a rights issue, board of Discount Bank Investment Corp proposes to raise additional capital by public issue of 851,000 ordinary shares, £13.36m (Israeli) of 16 per cent convertible debenture stock, 1987-87, and 619,500 ordinary warrants. These are being offered to public in Israel in units of 30 ordinary shares, £450 debenture and 20 option warrants at £525 (Israeli) per unit, to raise £25.69m (Israeli).

J. & J. MAKIN

Turnover of J. & J. Makin Paper Mills for half-year to September 30 up from £4.62m to £4.82m, but pre-tax profits down from £185,000 to £151,000. Board reports that in current half-year, profits on paper sales have increased considerably. Interim payment, gross, held at 0.61p.

ALFRED LOCKHART

Turnover for year to October 31 up from £1.35m to £1.69m and pre-tax profits up from £58,000 to £118,000. Gross dividend, 2.25p (2.04p).

RICARDO, ENGINEERS

Pre-tax profits of Ricardo and

Dazzling rebound by Mohair Spinners

British Mohair Spinners staged a fine recovery last year, more than doubling pre-tax profits to just over £2m. And Mr T. W. Hibbert, the group's chairman, says that order books are still expanding.

The success is celebrated with a near 90 per cent increase in the dividend payout to 3.78p gross on recovery grounds. Earnings per share go up from 2.78p to 8.48p. Sales during the year increased from £13m to just over £20m largely as a result of higher raw material prices.

However demand for alpaca and mohair continues to hold

Grindlays to obtain property revaluation

Grindlays Bank is to obtain a revaluation of its properties during 1977, Mr N. J. Robson, the new chairman, tells shareholders in his report with the accounts.

From assessments made during 1976, he says that overall values are more than the £33.6m shown in the balance sheet. The chairman points to the high liquidity of the group. In 1976, deposits and advances both rose by 30 per cent, while cash and short-term funds rose by 76 per cent.

The opportunity was taken early in 1976 to reduce the size of the gilt-edged portfolio and although this resulted in a loss Mr Robson says the decision has been justified.

There are still problems on some of the property loans and a substantial amount of money is still outstanding on which no interest is being received. It was clear that the second half of the year was better than the first and the chairman forecasts further improvement in 1977.

Gallenkamp

INTERIM STATEMENT

RESULTS			
The unaudited results of the Gallenkamp group of companies for the six months period ended 31 December 1976 are:—			
	Half year to 31.12.76	Half year to 31.12.75	1976/75
Group sales to customers	13,230	11,394	23.56%
Profit before taxation	2,687	1,858	3.80%
Provision for taxation at 32%	1,387	880	2.02%
Profit after taxation	1,290	905	1.85%
Earnings per share—basic	19.48p	13.72p	28.2p
Earnings per share—fully diluted	17.64p	12.57p	25.4p

SALES

In the stagnant U.K. market, sales were increased by 7% in value over the comparative figure for the first six months of the last financial year. The majority of the 18% improvement in total sales for the half year was again derived from exports, which were 30% up on the comparative period in 1975 and contributed 45% of group turnover.

TRENDS

There appears to be little immediate potential for improvement in the overall market situation which would permit achievement of any further significant increase in the rate of sales performance of the group during the next few months, but a satisfactory trading result for the full financial year ending 30 June 1977 is expected.

DIVIDEND

It is hoped that the imminent U.K. budget will include relaxation of the current restriction on the payment of dividends to our shareholders. Meanwhile, the board of directors has today declared an interim dividend of 2.25p per share amounting to £147,880 (1976: £131,449). This dividend will be paid on 20 May 1977 to members on the register at the close of business on 15 April 1977.

A. Gallenkamp & Company Ltd

Scientific Instruments—Laboratory Apparatus
Technico House Christopher Street London EC2P 2ER

Turnover

£19.3m

£14.5m

£201,509

£323,685

Profit Before Tax
(excluding extraordinary items)

£123,523

£154,803

Profit After Tax

£115,803

***Dividend Per Share** 0.67p

1.1p

1975

1976

***Earnings Per Share** 1.657p

2.526p

All roads led to increased profits in 1976

Glass Glover's fresh fruit and vegetables travelled more than 10,000,000 miles throughout the U.K. last year—making a vital contribution to the Group's 60% increase in profits.

GLASS GLOVER GROUP

Food-Distributors and Importers of Fresh Fruit and Vegetables.

Perhaps the apple or orange you have just eaten is part of our £20 million annual turnover—we are one of the major U.K. handlers of imported and home grown fruit and vegetables.

Perhaps you have seen our vehicles delivering a wide range of fresh food to leading retail organisations.

Or you may have passed one of our custom-built distribution depots in Scotland or Yorkshire; or one of our trading centres in Lancashire, London, Kent or even France. We are the link between world producers and your local supermarket.

Following a 25% profits rise in the previous year and 1 for 1 bonus share issue, the pre-tax profit has now risen a further 60% to a new record level of £323,685. For our shareholders this has meant a 64% dividend increase coupled with a healthy 2.3 dividend cover.

Looking to the future, we believe we have the right policies, the team and the talents to maintain our growth. If you would like to know more, please write to the Secretary at 7, Finlay Square, London, W1P 6AS for a copy of our Report and Accounts.

Midland Bk mops up all Thos Cook

Negotiations announced in December for Midland Bank Group to buy out its partners in the Thomas Cook travel business, have gone through. Midland held just over 70 per cent and now has the 100 per cent stake of Trust Houses Forte and the 6.7 per cent of the Automobile Association.

No price is disclosed but the bank is believed to have paid something less than the £5 a share which the original stake cost in 1972. Thus, present deals could have cost around £5m. Midland now has all the Thomas Cook equity as the former Watson-Lis interest in certain overseas companies was acquired a few months ago.

Mr Alec Durie, director general of the AA, and Mr Nick Hollinshead, a director of THF, will remain on the Cook board for the time being to complete transition. Moreover, for the future, there is an understanding with Midland Bank that both THF and the AA should continue their trading relationships with Cook.

Announcing the acquisition, Lord Armstrong, chairman of Midland, said: "It makes commercial sense for us to become the sole owners of the Thomas Cook Group although we shall be sorry to lose such evident specialists as the THF and the AA as co-shareholders. Over the past year, the position of the group as a whole has much improved, and despite the current downturn in the United Kingdom travel trade the recent return to overall profitability should be maintained during the current year."

F. W. TITORE

Turnover for half-year to Dec 31 up from £1.12m to £1.32m and pre-tax profits up from £164,000 to £182,000. Interim payment, gross, raised from 0.84p to 0.92p.

EVODE HOLDINGS

Manufacturers of adhesives, sealants, building chemicals, bitumen products, paints, components for the shoe industry and roof waterproofing and joint sealing contractors.

Extracts from the Statement by the Chairman, Dr. H. Simon, C.B.E.

Careful planning, combined with an all-out effort to achieve target produced sales of £18,763,211 against a figure of £14,371,782 for last year, and a profit (including share of Associated Companies' profits) before taxation of £1,449,826 against a comparable figure of £1,207,849 for last year.

Even if these figures are slightly behind the target we set ourselves, an increase in sales of 30.56% and in profit of 20.03% is the first step towards recreating the momentum for the growth of the company generated in earlier years.

Total exports, including sales to confirming houses amounted to £1,459,849, an increase of 27.4% compared with the previous year.

The first quarter of our new financial year was considerably better than for the same period a year ago, and orders in hand are much higher. I hope this trend will continue, and that we shall be able to reach the target we have set ourselves for our new financial year 1976/77.

Results for year ended 25th September 1976:			
	1976	1975	
Turnover	£18,763	£14,372	
Group profit before taxation and extraordinary item	1,450	1,208	
Taxation	770	616	
Dividend 1.988p per share (1.856p)	148	143	
Earnings per share	8.61p	7.44p	
Net asset value per 20p share	59.25p	52.37p	

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Account Days: Dealings Began, March 14. Dealings End, March 25. § Contango Day, March 28. Settlement Day, April 1. § Forward bargains are permitted on two previous days.

§ Forward bargains are permitted on two previous days

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